

# Capital Gearing Trust P.l.c.

## TERMS OF REFERENCE OF THE MANAGEMENT ENGAGEMENT COMMITTEE

Last adopted by the Board on 7 May 2021

### *Constitution*

1. By resolution of the Board passed on 19 July 2013 a Committee of the Board was established to be known as the Management Engagement Committee.

### *Membership*

2. The Committee shall be appointed by the Board and shall comprise at least three non-executive Directors who are independent of the Investment Manager.
3. The Chairman of the Committee shall be appointed by the Board. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one their number to chair the meeting.
4. The quorum necessary for the transaction of business shall be two members.

### *Frequency of Meetings*

5. Meetings shall be held at least once a year, unless matters otherwise delegated to the Committee have been dealt with by the Board directly. Representatives of the Investment Manager may request a meeting if they consider it necessary.

### *Attendance at Meetings*

6. Only members of the Committee shall have the right of attendance, however other individuals may be invited to attend all or part of any meeting as and when appropriate.
7. The Company Secretary or their nominee shall act as the Secretary of the Committee.

### *Notice of meetings*

8. Meetings of the Committee shall be convened by the Secretary or Chairman of the Committee at the request of any of its members or at the request of the Investment Manager if they consider it necessary.
9. Notice of each meeting confirming the venue, date and time, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend.

### *Minutes of Meetings*

10. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
11. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board.

## ***Authority***

12. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any Director, the Company Secretary, the Investment Manager or any other service provider.
13. The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other independent professional advice on any matter within its terms of reference and to secure the attendance at meetings of non-Committee members with relevant experience and expertise if it considers this necessary.

## ***Duties***

14. The Committee shall carry out the duties set out below:
  - To reasonably satisfy itself that agreements setting out arrangements with the Investment Manager are fair and that the terms remain competitive and in the interest of shareholders;
  - To monitor and evaluate the performance of the Investment Manager;
  - To reasonably satisfy itself that the Investment Manager's business remains robust and can continue to operate efficiently and effectively for the foreseeable future; having particular regard to the Investment Manager's resources and the adequacy of its governance framework;
  - To consider the continuing appointment or replacement of the Investment Manager and the level of management fees and make recommendations to the Board thereon;
  - To review with the Investment Manager any material issues arising from their work and to consider any matter that the Investment Manager wishes to bring to the attention of the Committee, whether privately or otherwise; and
  - To monitor and evaluate the performance of the key suppliers.

## ***Reporting Responsibilities***

15. The Committee Chairman shall report formally to the Board on the proceedings of the Committee after each meeting on all matters within its duties and responsibilities.
16. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.