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**TERMS OF REFERENCE**

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**Management Engagement Committee  
of  
RCM Technology Trust PLC**

Revised September 2006

Adopted by the Board  
3 October 2006

**RCM Technology Trust PLC**  
Management Engagement Committee - Terms of Reference

*These terms were produced in line with the AITC Code of Corporate Governance issued in October 2003 and revised in February 2006. The AITC Code was endorsed in February 2006 by the FRC as the only code against which investment companies are required to report.*

## **MEMBERSHIP**

The Management Engagement Committee shall comprise all the independent non-executive directors. The Chairman of the Committee will usually be the Chairman of the Board.

The Committee shall consist of not less than three independent non-executive directors and a quorum shall be two members present.

Members shall be appointed for an initial period of 3 years, which may be renewed or extended providing the director remains independent.

## **MEETINGS AND ATTENDANCE**

The Committee will meet at once each year and at such other times as it sees fit.

The Company Secretary shall be the Secretary of the Committee when requested by the Chairman, otherwise a nominated Director shall act as Secretary to the Committee.

The Chairman of the Committee shall attend the Annual General Meeting of the Company to respond to any questions that may be raised as matters within the Committee's area of responsibility.

The Committee shall from time to time, evaluate its own performance, constitution and terms and make any necessary recommendations for change to the Board, to ensure the continued maximum effectiveness of the Committee.

## **AUTHORITY**

The members of the Committee are authorised by the Board to carry out any action or investigation relevant to its terms of reference. Members are authorised to seek any information they require from any Company officer and to obtain expert advice from the Company's external auditors, professional advisers or otherwise, and to take independent professional advice and to request any officer or adviser as they see fit, and at the expense of the Company, to attend meetings of the Committee in order to obtain such information or advice.

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**DUTIES**

The Committee will at all times comply with the Listing Rules published by the Financial Services Authority (“the Listing Rules”), the recommendations of the Combined Code (Principles of Good Governance and Code of Best Practice - revised July 2003) and guidance from The Association of Investment Trust Companies published in February 2006.

In particular, the duties of the Committee are:

- to regularly review the terms of engagement of the Investment Manager and Investment Adviser and to make any recommendations for change;
- to review the level of fees payable to the Investment Manager and Investment Adviser and to make recommendations to the Board;
- to keep under review the contract notice period of the Investment Management and Investment Advisory Agreements; and
- to review the additional marketing, company secretarial and other sundry services provided by the Investment Manager and Investment Adviser.

**REPORTING PROCEDURES**

The Secretary of the Committee shall minute the proceedings and resolutions of all meetings and will produce and circulate the minutes to all Committee members, once agreed, the minutes will be circulated to all members of the Board, unless a conflict of interests exists, at the next scheduled Board meeting following the Committee meeting. The Chairman of the Committee shall report formally to the Board where it is deemed necessary.