

# **Albion Technology & General VCT PLC**

## **Management Engagement Committee Terms of Reference**

### **1 MEMBERSHIP**

- 1.1 The management engagement committee (**Committee**) shall comprise at least two directors.
- 1.2 The Board shall appoint the members of the Committee and the Committee Chair. In the absence of the Committee Chair at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting.

### **2 SECRETARY**

- 2.1 The Company Secretary shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

### **3 QUORUM**

- 3.1 The quorum necessary for the transaction of business shall be two.

### **4 MEETINGS**

- 4.1 The Committee shall meet at least once a year and otherwise as required.
- 4.2 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or any of its members.
- 4.3 Meetings of the Committee may be conducted when the members are physically present together or in the form of either video or audio conference, provided that all participants can hear and speak.
- 4.4 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 4.5 Draft minutes of Committee meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board and the Company Secretary unless, exceptionally, it would be inappropriate to do so.

### **5 ENGAGEMENT WITH SHAREHOLDERS**

- 5.1 The Committee Chair should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with Shareholders on significant matters related to the Committee's areas of responsibility.

## 6 DUTIES

6.1 The duties of the Committee for the Company are, inter alia:

- 6.1.1 to review the terms of engagement of, and performance by, the service providers and advisers appointed by the Board to provide services to the Company (other than the auditor which are under the remit of the Audit Committee);
  - 6.1.2 to determine whether there should be amendments to the required service level and whether the fee level is appropriate, having regard to what would reasonably be expected for similar services and the fees charged to peer companies;
  - 6.1.3 to request the Manager and Company Secretary provide, at least annually, assessments detailing their experience of working with the other key service providers and to review these assessments, as well as the Committee drawing on its own experiences;
  - 6.1.4 to decide whether it is in the best interest of Shareholders for those appointments to continue and if not, the process and timetable for engaging an appropriate replacement;
  - 6.1.5 to ensure compliance with the AIC Code of Corporate Governance and Listing Rules; and
  - 6.1.6 to consider the continuing resilience of the Company in its operations, as well as the financial standing and resilience of the key service providers, most notably the Manager, AIFM and Company Secretary.
  - 6.1.7 The review of the performance of the Manager and AIFM will focus, inter alia, on the following areas:
    - 6.1.7.1 monitor and evaluate the Manager's investment performance looking at key performance metrics, including the returns generated by the Company;
    - 6.1.7.2 the continuing achievement of VCT status;
    - 6.1.7.3 the long term prospects of the current portfolio of investments; the management of treasury, including use of share buy-backs and participation in fund raising;
    - 6.1.7.4 a review of the Management agreement and the services provided therein;
    - 6.1.7.5 benchmarking the performance of the Manager to other service providers, including the performance of other VCTs that the Manager is responsible for managing; and
    - 6.1.7.6 the contribution made by the administration and secretarial team to the operation of the Company.
  - 6.1.8 consider the merit of obtaining an independent appraisal of the services provided by the Manager and AIFM;
  - 6.1.9 investigate any breaches of agreed investment limits and any deviation from the agreed investment policy and strategy;
  - 6.1.10 evaluate the level and effectiveness of the marketing support provided to the Company and how the Manager works with external marketing providers;
  - 6.1.11 review the resources dedicated to the Company and the management of key person risk; and
  - 6.1.12 review the effectiveness of their risk management and internal control systems, conflicts of interest policy and meeting of AIFM requirements.
- 6.2 In the event that the terms of engagement of any service providers or advisers require to be amended or a replacement found, the Committee will take the lead on negotiating and implementing the changes, under delegated authority of the Board.

## **7 REPORTING RESPONSIBILITIES**

### **7.1 The Committee shall:**

- 7.1.1 Report to the Board after each meeting on all matters within its duties and responsibilities (including any matters on which the Board has requested the Committee's opinion).
- 7.1.2 Make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.1.3 Make available to Shareholders these terms of reference by placing them on the Company's website.

## **8 GENERAL MATTERS**

### **8.1 The Committee shall:**

- 8.1.1 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for advice and assistance as required.
- 8.1.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 8.1.3 Arrange for periodic reviews of its own performance and, at least annually review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **9 AUTHORITY**

### **9.1 The Board authorises the Committee to:**

- 9.1.1 Investigate any activity within its terms of reference.
- 9.1.2 Seek any information it requires from any relevant agent to the Company in order to perform its duties.