

**TERMS OF REFERENCE OF THE MANAGEMENT ENGAGEMENT COMMITTEE (THE  
"COMMITTEE") OF THE BOARD OF DIRECTORS (THE "BOARD") OF STANDARD LIFE UK  
SMALLER COMPANIES TRUST PLC (THE "COMPANY")**

**1. Membership**

- 1.1. The Committee shall comprise at least three members but is generally expected to comprise the Board as a whole. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chairman of the Committee.
- 1.2. The Committee as a whole should have competence relevant to the sector in which the Company operates.
- 1.3. Only members of the Committee have the right to attend Committee meetings. However, other individuals, such as employees of the Manager, may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 1.4. The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

**2. Secretary**

The Company Secretary or their nominee shall act as the Secretary of the Committee.

**3. Quorum**

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

**4. Frequency of meetings**

The Committee shall meet at least two times a year at appropriate times and otherwise as required.

**5. Notice of meetings**

- 5.1. Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its members.
- 5.2. 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, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

## **6. Minutes of the meeting**

- 6.1. The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so.

## **7. Annual General Meeting**

The Committee Chairman should attend the Annual General Meeting to answer shareholder questions on the Committee's activities.

## **8. Principal Responsibilities**

- 8.1. The principal responsibilities of the Committee are:
  - 8.1.1. monitor and evaluate the performance of the Manager;
  - 8.1.2. review at least annually the continued retention of the Manager;
  - 8.1.3. review, at least annually the terms of appointment of the Manager including, but not limited to, the level and method of remuneration and the notice period of the Manager; and
  - 8.1.4. review the performance and remuneration of the other key service providers to the Company.
- 8.2. The Committee shall report to the Board on how it has discharged its responsibilities.

## **9. Reporting responsibilities**

- 9.1. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3. The Committee shall produce a report on its activities to be included in the Company's annual report, as required.

## **10. Other matters**

The Committee shall:

- 10.1. have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;

- 10.2. 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;
- 10.3. give due consideration to laws and regulations, the provisions of the UK Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable Rules, as appropriate;
- 10.4. oversee any investigation of activities which are within its terms of reference; and
- 10.5. arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **11. Authority**

The Committee is authorised to:

- 11.1. seek any information it reasonably requires from a representative of any third party service provider in order to perform its duties;
- 11.2. request a representative of a third party service provider to attend any meeting of the Committee;
- 11.3. obtain at the Company's expense outside legal or other professional advice on any matters within its terms of reference; and
- 11.4. have timely and unrestricted access to relevant documents relating to the affairs of the Company.

**Approved by the Board of Standard Life UK Smaller Companies Trust plc on 23 May 2019**