

**Middlefield Canadian Income PCC (the “Company”)
including Middlefield Canadian Income – GBP PC (the “Cell”)**

**Terms of Reference of the Management Engagement Committee (the “Committee”),
a delegated Committee of the Board of Directors of the Company**

Updated by the Secretary on 8 September, 2021

Approved by the Board on 16 September, 2021

Membership

The members of the Committee shall be all the directors of the Company excluding any officer or employee of the Investment Manager or its affiliates. The Chairman of the Committee shall be Richard Hughes or, failing him, any member of the Committee present in the United Kingdom (the “UK”) other than the Chairman of the Company. For the purposes of transacting business, a quorum of the Committee shall be not less than two members of the Committee and all meetings must take place in the UK.

Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence. When the Investment Manager is being discussed, Mr Orrico or any successor being an officer or employee of the Investment Manager shall absent himself from such discussions.

Secretary

The Secretary of the Committee shall be the Secretary of the Company.

Attendance

A representative of the Secretary and the external auditor should normally attend meetings.

Frequency of Meetings

The Committee shall meet not less than once a year and at such other times as the Chairman of the Committee shall require.

Authority

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 agent of the Company. All agents of the Company are directed to co-operate with any reasonable request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers it necessary.

Duties

1. The Committee shall at least annually review the contractual relationships with, and scrutinise and hold to account the performance of the Investment Manager.
2. The Committee shall at least annually monitor and evaluate all other service providers, including the provisions relating to the applicable service provider’s remuneration, and shall satisfy itself that they are market standard and comparable with those charged to peer group companies. The Committee shall also ensure that the contractual arrangements with such service providers are in accordance with industry norms and in the Company’s and shareholders’ best interests.
3. The Committee shall establish procedures by which the Company’s service providers should report back and the methods by which these providers are monitored and evaluated.
4. The Chairman of the Committee shall attend the Company’s and the Cell’s annual general meetings and shall respond to shareholders’ questions, through the Chairman of the Board, in respect of matters within the terms of reference of the Committee. The Chairman of the Committee should also seek engagement with shareholders on significant matters related to their areas of responsibility.
5. The Committee will prepare for inclusion in the Company’s annual financial reports a report describing the work of the Committee during the year under review.

6. The Committee shall consider such other topics as directed by the Board.

Minutes

The minutes of meetings of the Committee shall be circulated to all members of the Board.

Delegation

Any or all powers of the Committee may be delegated by resolution of the Committee unless otherwise determined by the Board.

Reporting

The Chairman of the Committee shall report on its behalf to the Board at regular intervals, informing the directors of its deliberations and the matters it has reviewed and making recommendations when requested and as required by the AIC Code of Corporate Governance.

Terms of Reference Update

Should these terms of reference require update from time to time, they must be circulated to the Board for approval at the next Board meeting of the Company.

Availability

These terms of reference should be made publicly available on the Company's website.