

**FIDELITY SPECIAL VALUES**  
(the “Company”)

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**Terms of Reference for the Management Engagement Committee**

1. Function

The Management Engagement Committee (the “Committee”) is appointed by the Board to review the performance of the Manager and to ensure that the Company's management contract is competitive and reasonable for the Company's shareholders.

2. Duties

The Committee shall:-

- (a) review the overall performance of the Manager;
- (b) recommend to the Board the continued appointment of the Manager, if it is in the interests of the Company's shareholders to do so;
- (c) review the terms of the management contract between the Company and its Manager and ensure that the terms are competitive, fair and reasonable for the Company's shareholders;
- (d) review and make recommendations to the Board on any proposed amendment to or material breach of the management contract.

3. Membership

The Committee shall consist of all the independent non-executive Directors of the Company. The Chairman of the Committee shall be appointed by the Board. In the absence of the Committee Chairman the remaining members present shall elect one of their number to chair the meeting.

4. Quorum

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

5. Meetings

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

6. Secretary

The Company Secretary shall be the secretary of the Committee.

7. Reporting requirements

The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

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8. Authority

The Committee is authorised by the Board to obtain outside legal or other independent professional advice on any matters within its terms of reference at the Company’s expense and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

22 July 2005