

JPMORGAN AMERICAN INVESTMENT TRUST

RISK COMMITTEE –TERMS OF REFERENCE

Adopted on 18th March 2016

The Risk Committee (the ‘Committee’) is a committee of the Board of JPMorgan American Investment Trust plc (the ‘Company’), established to and to assess and report on the risks faced by the Company.

The Committee shall review the work of JPMorgan Asset Management ¹ (‘JPMAM’), in so far as they impact on the Company to receive comfort on the adequacy and effectiveness of their operating and compliance controls.

¹ JPMAM is a division of JPMorgan Chase & Co. The Company has a management agreement with JPMorgan Funds Limited (JPMF). JPMF is the Company’s Manager and Company Secretary and has delegated portfolio management to JPMorgan Asset Management (UK) Limited, which has in turn delegated portfolio management to JPMorgan Asset Management, Inc., all being affiliate companies of JPMorgan Chase & Co.

1. Membership

- 1.1 The Committee shall comprise at least three members. The activities of the Risk Committee should involve participation by the Chairman of the Audit Committee. Members of the Committee shall be appointed by the Board.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals including the Chairman of the Board, may be invited to attend all or part of any meeting as and when deemed appropriate and necessary by the Board or its Risk Committee.
- 1.3 The Board shall appoint the Committee Chairman. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to chair the meeting.

2. Secretary

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

3. Quorum

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

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 convened 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 of the meeting, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, and any other person required to attend, no later than five working days before the date of the meeting. The agenda shall be circulated together with relevant supporting papers to Committee members and to other attendees as appropriate.

6. Minutes of meetings

- 6.1 The Secretary shall minute the proceedings of all meetings of the Committee, including recording the names of those present and in attendance.

7. Annual General Meeting

The Committee Chairman should attend the annual general meeting to respond to questions from shareholders on the Committee's activities.

8. Duties

The Committee shall:

- 8.1 advise the Board on the Company's overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment; and
- 8.2 Maintain and review the Company's risk matrix to oversee and advise the Board on the current risk exposures of the Company and future risk strategy. Set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance; and
- 8.3 Assess and monitor the principal risks faced by the Company; and
- 8.4 review the Company's capability to identify and manage new risk types in conjunction with the Audit Committee; and
- 8.5 review reports on any material breaches of the Company's investment restrictions and guidelines and the adequacy of proposed action; and
- 8.6 Work and liaise as necessary with all other Board Committees.

9. Reporting responsibilities

- 9.1 The Committee Chairman shall report 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 of its activities and the Company's risk management and strategy to be included in the Company's annual report.
- 9.4 To make the appropriate disclosures on the Company's principle risks within the Company's annual report.

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; and
- 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; and
- 10.3 give due consideration to laws and regulations, the provisions of the Code and the requirements of the UK Listing Authority Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate; and
- 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:

- 11.1 to seek any information it requires from any employee of JPMAM/Director of the Company in order to perform its duties; and
- 11.2 to obtain, at the Company's expense, external legal or other professional advice on any matter within its terms of reference where required; and
- 11.3 call any employee of JPMAM to be questioned at a meeting of the Committee as and when required; and
- 11.4 have the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board.