

**JPMorgan Japanese Investment Trust plc**  
**Management Engagement Committee Terms of Reference**  
**(adopted 22<sup>nd</sup> July 2016)**

Reference to the 'Committee' shall mean the Management Engagement Committee.  
Reference to the 'Board' shall mean the Board of Directors.

**1. Management Engagement Committee**

The AIC recommends that the Board should regularly review both the performance of, and contractual arrangements with, the Manager. It should become best practice for a management engagement committee to undertake this review annually with its decisions and rationale described in the annual report.

At the Board meeting held on 22<sup>nd</sup> July 2016, it was resolved that a Committee of the Board to be known as the Management Engagement Committee be constituted. The Committee shall be governed as follows:

**2. Membership**

- 2.1. The Committee shall be appointed by the Board from amongst the independent Directors of the Company and shall comprise a Chairman and at least two other Directors.
- 2.2. The Board shall appoint the Committee Chairman who may be the Chairman of the Board. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
- 2.3. Membership of the Committee shall be identified in the Annual Report.

**3. Secretary**

- 3.1. The Company Secretary or their nominee shall act as the Secretary to the Committee and shall be responsible for preparing the agenda and minutes of the Committee meetings and circulating the minutes to all Directors.

**4. Quorum**

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

**5. Frequency of Meetings**

- 5.1. The Committee shall meet not less than once a year, and at such other times as the Chairman of the Committee shall require, in order to facilitate the preparation of the Committee's disclosure statement in the Annual Report.

## **6. Notice of Meetings**

- 6.1. Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chairman of the Committee.
- 6.2. 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 no fewer than five working days prior to the date of the meeting.

## **7. Annual General Meeting**

- 7.1. The Chairman of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

## **8. Duties**

The role of the Committee is to review the performance of, and contractual arrangements with, the Manager. More specifically, the responsibilities of the Committee shall be:

- 9.1. to monitor and evaluate the Manager's investment performance;
- 9.2. to consider the merit of obtaining an independent appraisal of the Manager's services;
- 9.3. to investigate any breaches of agreed investment limits and any deviation from the agreed investment policy and strategy;
- 9.4. to review the standard of any administrative services or company secretarial services provided under the terms of the management contract;
- 9.5. to evaluate the level and effectiveness of any marketing support provided by the Manager for the Company, either directly or through generic products, whether under the terms of the management contract or simply as part of a non-contractual obligation or understanding;
- 9.6. to assess the level of fees charged by the Manager and how these fees compare with those charged to peer group companies. And whether these fees represent good value for money;
- 9.7. to compare the notice period on the management contract with industry norms;
- 9.8. to prepare a disclosure statement regarding continuing appointment of the Manager; and
- 9.9. to consider any other issues which may give the Board cause for concern.

## **9. Authority**

The Committee is authorised by the Board to investigate any activity within its terms of reference and to seek any information it requires, and the Manager and its employees shall co-operate with any request made by the Committee.