



MANCHESTER AND LONDON INVESTMENT TRUST PLC

REMUNERATION COMMITTEE TERMS OF REFERENCE

1. PURPOSE

- 1.1 The Committee is appointed by the Board to set director remuneration in conjunction with the Chairman and assess the company's remuneration policy and position to accord with the relevant principles of the AIC Code of Corporate Governance as amended in July 2016;
- 1.2 The Committee will act in the interests of the Company by being financially responsible.

2. MEMBERSHIP, SECRETARY AND QUORUM

- 2.1 The Committee is appointed by the Board and comprises of three members, one of whom shall act as Chairman of the Committee. Other individuals, such as external advisers, may be invited to attend Committee meetings as and when appropriate and necessary;
- 2.2 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;
- 2.3 The Company Secretary or their nominee shall act as the Secretary of the Committee;
- 2.4 The quorum necessary for the transaction of business shall be two;
- 2.5 No member of the Board shall participate at a meeting of the Committee (or during the relevant part) at which any part of his remuneration is being discussed or participate in any recommendation or decision concerning his remuneration.

3. MEETINGS AND MINUTES

- 3.1 The Committee shall meet at least once a year and otherwise as required;
- 3.2 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

4. DUTIES

The Committee shall:

- 4.1 Determine and agree with the Board the framework or policy for the remuneration of the Chairman and non-executive directors. No director shall be involved in any decisions as to their own remuneration;
- 4.2 In determining such policy, take into account all factors which it deems necessary, including relevant requirements under all applicable laws;
- 4.3 Review the ongoing appropriateness and relevance of the remuneration policy;
- 4.4 Agree the policy for authorising claims for expenses from the directors.

5. REPORTING RESPONSIBILITIES

- 5.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities;
- 5.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

6. OTHER

The Committee shall:

- 6.1 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance and independent professional advice at the expense of the Company as required;
- 6.2 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;
- 6.3 Give due consideration to the provisions of the UK Corporate Governance Code (and if applicable, the AIC Code of Corporate Governance) and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other Applicable Laws, as appropriate;
- 6.4 Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference.

7. APPROVAL

These terms of reference were approved by the committee on 27 September 2016 and adopted by the board on 27 September 2016.