

**CC Japan Income & Growth Trust plc  
(the 'Company')**

**Management Engagement Committee  
(the 'Committee')**

**Terms of Reference**

(approved November 2015 and revised 21 January 2020)

**Background**

These terms of reference have been produced to accord with the relevant Principles of The AIC Code of Corporate Governance published in February 2019 (Provision 16 to 18). The Financial Reporting Council has confirmed that AIC Member companies who report against the AIC Code of Corporate Governance and who follow the AIC's Corporate Governance Guide for Investment Companies will be meeting their obligations in relation its UK Corporate Governance Code and their Listing Rules obligations.

**Composition of the Committee**

The Committee shall be comprised of three or more Directors independent of the Investment Manager.

The Committee Chairman shall be appointed by the Board.

**Meetings**

The Committee will meet at least once each year and at such other times as the Chairman of the Committee shall require.

A quorum shall be any two members including the Chairman of the Committee, or the Chairman's nominated delegate.

Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee not less than three working days prior to the date of the meeting.

Any action of the Committee may also be taken by an instrument or instruments in writing, including via email or other electronic means, including via the use of electronic signatures by all members of the Committee and any such action shall be as effective as if it had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

The Company Secretary shall act as Secretary to the Committee.

The Chairman of the Committee will report to the Board on the Committee's decisions and recommendations.

### **Attendance**

The Committee may invite other Directors to attend and may request representatives of the third party service providers to the Company or any other relevant person to attend meetings but such invitees shall have no right of attendance.

### **Shareholder Engagement**

The Chairman of the Committee, or his or her nominated delegate, shall attend the Annual General meeting and be prepared to respond to any shareholder questions on the Committee's activities.

### **Authority**

The Committee is authorised to:

- seek any information it reasonably requires from a representative of any third party service provider in order to perform its duties;
- request a representative of a third party service provider to attend any meeting of the Committee;
- obtain at the Company's expense outside legal or other professional advice on any matters within its terms of reference;
- have timely and unrestricted access to relevant documents relating to the affairs of the Company.

### **Manager**

The Committee should review at least annually the contractual arrangements with, and scrutinise and hold to account the performance of the manager.

The Committee shall:

- Monitor and evaluate the fund manager's investment performance and, if necessary, provide appropriate guidance.
- Consider the merit of obtaining, on a regular basis, an independent appraisal of the manager's services.
- Require the manager to provide attribution and volatility analyses and consider whether it should be published at least annually.
- Review at least annually the continued retention of the manager's services.
- Review the level and method of remuneration, the basis of performance fees and the notice period. Due weight should be given to the competitive position of the Company against its peer group.
- Consider whether the annual fee should be based on gross assets, net assets or market capitalisation.
- Ensure that the Manager has an appropriate risk management and internal control system on at least an annual basis.

*The AIC has produced a paper entitled "Evaluation of the Manager: A Paper for Non-Executive Directors of Investment Companies on meeting the requirements of the Listing Rules" which is available on the AIC's website at [www.theaic.co.uk/technical](http://www.theaic.co.uk/technical).*

**Reporting Requirements**

The Committee shall provide an overview of the work undertaken by the Committee in the Company's Annual Report and provide an overview of how the interests of the Company's stakeholders have been considered.