

**WITAN PACIFIC INVESTMENT TRUST PLC**  
**Nomination and Remuneration Committee – Terms of Reference**

**Background**

These terms of reference have been produced to accord with the relevant Principles of The AIC Code of Corporate Governance as amended in February 2013 (Principles 1 to 10).

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 to its UK Corporate Governance Code as amended in September 2014 and Listing Rule 9.8.6.

**Composition of the Committee**

The Committee shall be comprised of two or more Directors of the Company as appointed by the Board.

At least two of the members must be independent Directors.

The Senior Independent Director shall be appointed as the Committee Chairman.

**Meetings**

The Committee shall meet at least once each year to consider and make its recommendations to the Board regarding the re-election of Directors and on statements to be included in the Annual Report and Accounts.

The Committee may meet at such other times as the Chairman of the Committee shall require.

A quorum at a Committee meeting shall be two members.

The Committee Chairman shall normally attend the Annual General Meeting of the Company and answer questions, through the Chairman of the Board, on the Committee's processes and duties.

The Company Secretary shall act as Secretary to the Committee.

**Reporting**

The minutes of each meeting of the Committee shall be circulated to all members of the Committee. Any Director, upon request to the Secretary, may obtain copies of the Committee's agenda and minutes provided that there are no conflicts of interest.

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

## **Duties and Responsibilities**

### **AIC Code Principle 1**

#### **The Chairman should be independent**

The Chairman of the Board is responsible for leadership of the Board, ensuring its effectiveness on all aspects of its role. The Committee Chairman shall take the lead in the annual evaluation of the performance of the Chairman of the Board to ascertain that the Chairman fulfils these responsibilities and has no relationships that may create a conflict of interest between the Chairman's interest and those of shareholders and that other significant commitments will not impinge on the Chairman's duties to the Board. The Committee Chairman shall act as a channel of communication for shareholders where contact through the Chairman has failed to resolve concerns or where contact with the Chairman is inappropriate. The Committee Chairman shall also provide a sounding board for the Chairman and serve as an intermediary for the other Directors when necessary.

### **AIC Code Principle 2**

#### **A majority of the Board should be independent of the manager**

The Committee shall make recommendations to the Board on the reasons for determining that a Director is to be regarded as independent notwithstanding the existence of relationships or circumstances which may appear relevant to the Board's deliberations.

### **AIC Code Principle 3**

#### **Directors should be elected for a fixed term of no more than three years. Nomination for re-election should not be assumed but be based on disclosed procedures.**

The Committee shall:

- consider those Directors who are required to seek re-election in accordance with the Code's principles, evaluate whether there has been continued satisfactory performance of such Director and make recommendations to the Board concerning their proposed re-election;
- undertake a rigorous review of a Director who has served two or more terms of three years and who is seeking re-election for a further term of three years;
- make recommendations to the Board on the reasons for determining that a Director is to be regarded as independent notwithstanding that the Director has served for more than nine years from the date of their first election.
- report annually to the Board on its evaluation of each Director's independence.

#### **AIC Code Principle 4**

**The Board should have a policy on tenure which is disclosed in the annual report.**

The Committee shall undertake a rigorous review of Directors' performance and shall make recommendations to the Board on tenure taking into account the conclusions of such review. Directors serving for longer than nine years are subject to annual re-election.

#### **AIC Code Principle 5**

**There should be full disclosure of information about the Board.**

The Committee is responsible for the following in relation to the setting of Directors' remuneration:

- in conjunction with the Chairman, setting the Directors' level of remuneration;
- judging where to position the company relative to other companies; and
- considering the need to appoint external remuneration consultants.

The Committee shall ensure that the requirements of Code Principle 5 regarding disclosures about the Directors and the workings of the Committee including the frequency of meetings and Director attendance are made in the Directors' Report including:

a) biographical details of each Director covering:

- current employment and relevant experience,
- all other public company directorships and employments with specific attention drawn to any other directorships of investment funds managed by the same manager;
- any current or historic employment by the manager and connections to the investment company or the manager;
- length of service;
- shared directorships of any commercial company with other board members;
- details of significant shareholdings in companies where the investment company has a notifiable stake in the same company or has a holding which amounts to more than 1% of the investment company's portfolio;

b) a statement that the Terms of Reference for the Committee are available upon enquiry from the Company Secretary and are also available on the Company's website.

#### **AIC Code Principle 6**

**The Board should aim to have a balance of skills, experience, length of service and knowledge of the company.**

The Committee shall:

- review regularly the structure, size and composition of the Board, including the balance of skills, knowledge and experience of the Directors.

- make recommendations to the Board on:
  - a. succession planning and the resultant changes to the composition of the Board;
  - b. job specifications and the terms of appointment for Directors;
  - c. changes to the chairmanship and membership of the Company's committees;
  - d. maintaining a balance of skills, experience, length of service and knowledge of the company, when considering new appointments.
- be responsible for identifying and nominating for the approval by the Board, candidates to fill Board vacancies and fulfil succession plans.
- establish the policy for the remuneration of the Company's Directors taking into account all factors to ensure that Directors are rewarded for their individual contributions to the effectiveness of the Board in a fair and responsible manner
- review the ongoing appropriateness and the level of remuneration of Directors;
- review industry remuneration trends and assess any appropriate change in the Company's remuneration levels, taking into account the Company's own performance;
- establish the policy for authorising claims for expenses incurred in carrying out the Company's business;
- ensure that all the provisions regarding disclosure of remuneration are set out in the Directors' Remuneration Report;
- report formally to the Board on its proceedings after each meeting, making recommendations to the Board as deemed appropriate on any area within its remit;
- advise the Board of any gaps in meeting Principle 6 identified by the Committee, which the Board will need to indicate in the annual report and comment on how it intends to improve the balance over time;
- consider the diversity of the board, including gender;
- ensure that new directors can devote sufficient time to the Company to carry out their duties effectively;
- ensure that similar considerations are applied to other committees of the Board to ensure that membership is refreshed and that undue reliance is not placed on particular individuals.

### **AIC Code Principle 7**

**The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.**

The Committee shall undertake a formal evaluation of each Director's performance, as well as the performance and function of the Board as whole on an annual basis, taking into account the balance of skills, experience, independence and knowledge of the Company in the Board as well as the Board's diversity (including gender), how the Board works together as a unit and any other functions relevant to its effectiveness,. The review shall be based on open discussion to assess the strengths and weaknesses of the Board and all of its Committees. The process of board evaluation shall be explained in the annual report.

The Committee Chairman shall review with each of the Directors his and their individual performance, contribution and commitment to the Company and any requirement for further development of his and their skills.

The Committee Chairman shall discuss with the other Directors the performance of the Chairman of the Board following which the Committee Chairman shall meet with the Chairman to discuss performance.

The Committee will make formal recommendations to the Board following the evaluation process including recommendations on the election and re-election of Directors.

### **AIC Code Principle 8**

**Director remuneration should reflect their duties, responsibilities and the value of their time spent.**

The Committee shall review annually the fees paid to the non-executive Directors and compare these with the fees paid by the Company's peer group and the investment trust industry generally, taking into account the level of commitment and responsibility of each Board member.

There shall be a formal and transparent procedure for developing a policy for fixing the remuneration packages of individual Directors.

No Director shall be involved in deciding his or her own remuneration.

Where provision is made for additional remuneration for Directors undertaking duties beyond those normally expected as part of the Director's appointment, details of the events, duties and responsibilities that gave rise to any additional payments shall be included in the annual report.

### **AIC Code Principle 9**

**The independent directors should take the lead in the appointment of new directors and the process should be disclosed in the annual report.**

The Committee shall consider the criteria for future Board appointments and the methods of recruitment, selection and appointment.

The Committee shall be responsible for disclosing in the annual report, the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.

### **AIC Code Principle 10**

**Directors should be offered relevant training and induction.**

The Committee, together with the Company Secretary, shall establish an induction programme for new Directors about the company, its managers, their legal responsibilities and the investment company sector as deemed necessary, together with a process for identifying professional development needs and training for existing Directors.

The Committee shall establish the criteria for the performance evaluation of the Directors including an assessment of the time commitment to the functions of the Board.

The Chairman of the Board shall regularly review and agree with each Director their training and development needs.

Adopted by the Board 15 March 2011  
Last reviewed and approved by the Board 24 November 2014