

# **Perpetual Income & Growth Investment Trust plc (‘the Company’)**

## **Terms of Reference of the Management Engagement Committee (‘the Committee’)**

### **1. Objective**

- 1.1 It is the overall purpose of the Management Engagement Committee (‘the Committee’) to regularly review the performance of the Manager, the management contract and the terms of the Manager’s investment management fee and performance fee.

### **2. Authority**

- 2.1 The Committee is authorised to seek any information it requires from any relevant employee of Invesco in order to perform its duties.
- 2.2 The Committee is authorised to obtain, at the Company’s expense, outside legal or other professional advice on any matters within its terms of reference, up to a level of £10,000 without prior reference to the Board.

### **3. Membership**

- 3.1 The Committee shall be appointed by the Board and shall comprise a Chairman and at least two other members.
- 3.2 The Committee is currently composed of: Richard Laing (Chairman), Alan Giles, Mike Balfour and Victoria Cochrane.
- 3.3 All members of the Committee shall be non-executive Directors, independent of the Company and the Investment Manager.
- 3.4 The Board shall appoint the Committee Chairman. 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.
- 3.5 If a regular member is unable to act due to absence, illness or any other cause, the Chairman of the Committee may appoint another Director of the Company to serve as an alternate member.

### **4. Secretary**

- 4.1 The Company Secretary of the Company or their nominee shall act as the Secretary of the Committee.

### **5. Quorum**

- 5.1 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.

### **6. Frequency of Meetings**

- 6.1 The Committee shall meet not less than once a year and at such other times as the Chairman of the Management Engagement Committee shall require.

## **7. Notice of Meetings**

- 7.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.
- 7.2 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.

## **8. Minutes of Meetings**

- 8.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 8.2 Minutes of Committee meetings shall be circulated to all Directors within 10 working days, following approval by the Chairman of the Committee.

## **9. Annual General Meeting**

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

## **10. Duties**

- 10.1 The Committee shall:
- regularly review the management contract of the Company and make recommendations to the Board with regard to any adjustments that are deemed necessary;
  - review and, if applicable, make a recommendation to the Board to amend the terms of the Manager's investment management fee and any performance fees;
  - recommend to the Board any changes to the Investment Manager;
  - undertake an annual performance evaluation of the Investment Manager, including secretarial and administration services provided under the Investment Management Agreement;
  - detail items that should be published in the Company's Annual Report relating to the activities of the Committee; and
  - Consider for Board approval a statement in the Annual Report, prepared in accordance with Listing Rule 15.6.2(2), as to whether, in the opinion of the Directors, the continuing appointment of the Investment Manager on the terms agreed is in the interests of shareholders as a whole, together with a statement of the reasons for this view.

**Approved: February 2019**