

## **Invesco Asia Trust plc**

### **Terms of Reference of the Remuneration Committee (December 2017)**

#### **1. Membership**

- 1.1 The Committee shall be appointed by the Board and shall comprise all the non-executive Directors of the Company.
- 1.2 All members of the Committee shall be independent non-executive Directors and free from any business or other relationship which could interfere with the exercise of their independent judgement.
- 1.3 The Board should appoint the Chairman of the Remuneration Committee. In the absence of the Committee chairman, the remaining members present shall elect one of themselves to chair the meeting.
- 1.4 Only the members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of any meeting, as and when appropriate or necessary.

#### **2. Secretary**

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

#### **3. Quorum**

- 3.1 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 Remuneration Committee.

#### **4. Meetings**

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

#### **5. Notice of Meetings**

- 5.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chairman of the Committee.
- 5.2 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 and any other person required to attend no fewer than five working days prior to the date of the meeting.

#### **6. Minutes of Meetings**

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2 Minutes of Committee Meetings shall be circulated to all members of the Committee and to all members of the Board following approval by the Chairman of the Committee.

## **7. Annual General Meeting**

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

## **8. Duties**

- 8.1 The Committee shall:
- 8.1.1 determine and agree with the Board the framework or broad policy for the Remuneration of the Chairman and Directors of the Company;
  - 8.1.2 in determining policy, take into account all factors which it deems necessary. The objective of the policy shall be to ensure that members of the Board are provided with appropriate compensation to reflect the time commitment and responsibilities of the role and are, in a fair and responsible manner, rewarded for their individual contributions to the long-term success of the Company, also taking into consideration other committee memberships. It shall also liaise with the Nomination Committee to ensure that the remuneration of newly-appointed directors is within the Company's overall policy;
  - 8.1.3 within the terms of the agreed policy, determine the total individual remuneration of each Director of the Company;
  - 8.1.4 in determining such remuneration, give due regard to the recommendations of the UK Code of Corporate Governance, AIC Code on Corporate Governance, as well as to the UK Listing Authority's Listing Rules and associated guidance;
  - 8.1.5 review competitor and peer group companies' remuneration policies, but ensure that automatic increases are not implemented, so as to avoid a 'ratchet' effect;
  - 8.1.6 ensure that provisions regarding disclosure of remuneration, as required under the Large and Medium-sized Companies and Group (Accounts and Reports (Amendments) Regulations 2013, are fulfilled;
  - 8.1.7 arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **9. Reporting Responsibilities**

- 9.1 produce a Directors' Remuneration Policy to be approved by shareholders every three years and an Annual Report on Directors' Remuneration to be approved by shareholders annually for inclusion in the Annual Financial Report.
- 9.2 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

## **10. Authority**

- 10.1 The Committee is authorised by the Board to seek any information it requires from any relevant employee of the Manager in order to perform its duties;
- 10.2 The Committee is authorised to obtain, at the Company's expense, external legal or other professional advice on any matters within its terms of reference, up to an initial level of £10,000 without reference to the Board.