

FOREIGN & COLONIAL INVESTMENT TRUST PLC (“the Company”)

MANAGEMENT ENGAGEMENT COMMITTEE

TERMS OF REFERENCE

1. Constitution

The Management Engagement Committee (the "Committee") was established by a resolution of the Board of Directors of the Company on 27 January 2015. The Committee is accountable to the Board.

2. Composition of the Committee

The Committee is established by the Board and shall comprise all the Directors. In the event that any two Directors of the Committee become directors of another company, they will consider if one or both should resign as Committee members and such decision should be ratified by the Board.

a. Attendance

i. The following may be required to attend the relevant parts of the meetings:-

The Fund Manager
Head of Investment Trusts

ii. F&C Investment Business Limited is Secretary to the Committee.

b. Meetings

The Committee will meet at least once a year and additional meetings shall be called by the Secretary at the request of the Chairman of the Committee.

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

3. Responsibilities

The Committee will, on a regular basis, review the investment management agreement and monitor the performance of, F&C for the investment management, secretarial, financial, administration, marketing and support services that it provides under the management contract, together with the terms of such contract including the level and structure of fees payable, the length of the notice period and best practice provisions generally. The Committee will provide a report to the Board on its observations for use at the Board's annual review of the Manager.

The Committee will review such other matters as directed by the Board.

4. Reporting

a. The minutes of each meeting of the Committee will be circulated to all Directors of the Company.

- b. These Terms of Reference are to be made available on request and are to be published through the F&C website.

5. Annual Report Disclosure

The AIC Guide on Corporate Governance requires statements on the review of performance of and the contractual arrangements with the Manager and a description of the decisions taken and rationale for such decisions.

6. General Powers

The Committee is empowered to employ the services of such advisers as it deems necessary to fulfil its responsibilities subject to a cost limit of £25,000. Costs exceeding £25,000 will be subject to formal approval by the Board.

Dated January 2015