

JPMorgan US Discovery Investment Trust plc
Management Engagement Committee – Terms of Reference
(adopted on 4th September 2008)

Reference to “the Committee” shall mean the Management Engagement Committee.
Reference to “the Board” shall mean The Board of Directors.

1. Management Engagement Committee

The AIC recommends that the Board should regularly review both the performance of, and contractual arrangements with, the Manager. It should become best practice for a management engagement committee to make this review annually with its decisions and rationale described in the annual report.

At the Board meeting held on 26th June 2008, it was resolved that a Committee of the Board to be known as the Management Engagement Committee be constituted. The Committee shall be governed as follows:

2. Membership

- 2.1. The Committee shall be appointed by the Board amongst the non-JPMorgan directors of the Company and shall comprise of a Chairman and at least two other directors.
- 2.2. The Committee should consist solely of directors independent of the Manager.
- 2.3. The Board shall appoint the Committee Chairman who could be the Chairman of the Board. 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.
- 2.4. Membership shall be identified in the Annual Report.

3. Secretary

- 3.1. The Company Secretary or their nominee shall act as the Secretary of the Committee and shall be responsible for preparing the agenda and producing and circulating the minutes to all Directors.

4. Quorum

- 4.1. 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.

5. Frequency of Meetings

- 5.1. The Committee shall meet not less than once a year, and at such other times as the Chairman of the Committee shall require, to prepare its disclosure statement in the Annual Report.

6. Notice of Meetings

- 6.1. Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chairman of the Committee.
- 6.2. 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.

7. Minutes of Meetings

- 7.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, which shall be circulated to all members of the Board.

8. Annual General Meeting

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

9. Duties

The role of the Committee is to review the performance of, and contractual arrangements with, the Manager. More specifically, the responsibilities of the Committee shall be:

- 9.1. to monitor and evaluate the Manager's investment performance;
- 9.2. to consider the merit of obtaining an independent appraisal of the Manager's services;
- 9.3. to review the performance fee structure to ensure that it does not encourage excessive risk and that it rewards demonstrable superior performance;
- 9.4. to investigate any breaches of agreed investment limits and any deviation from the agreed investment policy and strategy;
- 9.5. to review the standard of any administrative services or company secretarial services provided under the terms of the management contract;
- 9.6. to evaluate the level and effectiveness of any marketing support provided by the management company for the Company, either directly or through generic products, whether under the terms of the management contract or simply as part of a non-contractual obligation or understanding;

- 9.7. to assess the level of fees charged by the management company and how these fees compare with those charged to peer group companies;
- 9.8. to compare the notice period on the management contract with industry norms;
- 9.9. to prepare a disclosure statement regarding continuing appointment of the Manager on the terms agreed; and
- 9.10. to consider any other issues which may give the Board cause for concern.

10. Authority

The Committee is authorised by the Board:

- 10.1. to investigate any activity within its terms of reference; and
- 10.2. to seek any information it requires. JPMAM and its employees shall cooperate with any request made by the Committee.