

## **RENN UNIVERSAL GROWTH INVESTMENT TRUST PLC**

### Terms of reference of the Remuneration and Nomination Committee

#### **Duties in respect of the Nomination function:**

- 1.1 The Committee shall:
  - 1.1.1 regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make any changes as necessary;
  - 1.1.2 formulate plans for succession of Directors and, in particular, for the key roles of Chairman of the Board and Chairman of the Audit Committee;
  - 1.1.3 determine membership of the Audit Committee, in consultation with the Chairman of the Audit Committee and subject to the approval of the Board;
  - 1.1.4 be responsible for identifying and nominating candidates to fill Board vacancies as and when they arise;
  - 1.1.5 before an appointment is made, evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
    - consider candidates from a wide range of backgrounds
    - consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
  - 1.1.6 consider the re-appointment of any Director at the conclusion of his or her specified term of office, having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
  - 1.1.7 consider any recommendation to shareholders concerning the re-election of any Director under the 'retirement by rotation' provision in the Company's Articles of Association, having due regard to his or her performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
  - 1.1.8 consider and approve the appointment of any director or officer other than to the position of Chairman, which would be considered at a meeting of the full Board.

#### **Responsibilities in respect of the Nomination function:**

- 2.1 The Committee shall make a statement in the Annual Report about its activities, the process used to make appointments and, when appropriate, explain if external advice or open advertising has not been used.
- 2.2 The Chairman of the Committee should be prepared to respond to any questions which may be raised by shareholders at the AGM on matters concerning the Committee's Nomination functions.

### **Duties in respect of the Remuneration function:**

#### 3.1 The Committee shall:

- 3.1.1 determine and agree the framework or broad policy for the remuneration of the Company's Chairman, Audit Committee Chairman and Directors;
- 3.1.2 in determining policy, take into account all factors which it deems necessary. The objective shall be to ensure that Directors are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- 3.1.3 review the ongoing appropriateness and relevance of the remuneration policy;
- 3.1.4 review, if applicable, the design of any share incentive plans for approval by shareholders;
- 3.1.5 ensure, if applicable, that contractual terms on termination, and any payments made, are fair to the individual and the Company; that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 3.1.6 within the terms of the agreed policy, determine the total individual remuneration package of each Director, including, if applicable, bonuses and incentive payments;
- 3.1.7 in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the Combined Code and the FSA Listing Rules and associated guidance;
- 3.1.8 review and note annually remuneration trends in the industry;
- 3.1.9 agree the policy for authorising claims for expenses from Directors;
- 3.1.10 ensure that all provisions regarding disclosure of remuneration, as set out in the Companies Act 2006 and the Combined Code are fulfilled; and
- 3.1.11 be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee; and to procure up-to-date information about remuneration in other comparable companies. The Committee may commission any reports, surveys, legal or other professional advice, which it deems necessary to help it to fulfil its obligations.

### **Responsibilities in respect of the Remuneration function:**

- 4.1 The Board shall produce an annual report of the Company's remuneration policy and practices, which will form part of the Company's Annual Report, and ensure each year that it is put to shareholders for approval at the AGM.
- 4.2 The Chairman of the Committee will respond to any questions raised by shareholders at the AGM on matters concerning the Committee's remuneration activities.

### **Frequency of Meetings**

The Nomination and Remuneration Committee will meet once at least once a year.

### **Company Secretary**

The Company Secretary shall act as the Secretary of the Nomination and the Remuneration Committee.