

AVI Japan Opportunity Trust plc

Terms of reference of the Nomination and Remuneration Committee

(as adopted on 30 November 2023)

1. Composition of the Committee

The Nomination and Remuneration Committee (the “**Committee**”) shall comprise all independent Directors. The Chairman of the board of Directors of the Company (the “**Board**”) may be a member of the Committee if they were independent on appointment, but may not act as the Committee Chairman. The board of Directors of the Company shall appoint the Committee Chairman, who should have relevant experience and understanding of the Company. In the absence of the Committee Chairman the remaining members present shall elect one of their number to chair the meeting.

2. Meetings

The Committee shall meet at least twice a year at appropriate intervals and at such other times as the Chairman of the Committee shall require. A meeting of the Committee may be called by any member of the Committee or the Company Secretary.

The quorum for the meetings of the Committee shall be three members of the Committee.

3. Resources

The Company Secretary shall act as Secretary to the Committee and should ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

4. Authority

The Committee shall have the power to employ the services of such advisers as it deems necessary to fulfil its responsibilities and is authorised to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

5. Principal Responsibilities

The Committee shall:

- be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, define the capabilities in which the Board is deficient;
- in the light of this, and the outcome of the relevant evaluation process, determine whether to recommend that the names of Board Directors who fall due for re-election should be put to shareholders;

- where further vacancies exist, control the process of external recruitment, ensuring appropriate consideration of candidates from a wide range of backgrounds;
- give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore needed on the Board in the future;
- consider Directors' potential conflicts of interest and make recommendations to the Board as to their approval;
- ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings;
- review annually the time required from non-executive Directors. Performance evaluation should be used to assess whether the non-executive Directors are spending enough time to fulfil their duties;
- be responsible for setting the remuneration policy and setting the remuneration for the Chairman of the Board;
- monitor and agree the level and structure of remuneration of the Directors in conjunction with the Chairman of the Board, designed to promote the long-term success of the Company and to take into account all factors which are deemed necessary, including the time commitment and responsibilities of the role, relevant legal and regulatory requirements, the provisions and recommendations of the AIC Code of Corporate Governance and associated guidance. The Board itself or, where required by the Articles of Incorporation, the shareholders, should determine the remuneration of the Directors within the limits set in the Articles of Incorporation. No Director shall be involved in any decisions as to their own remuneration;
- obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company but within any budgetary restraints imposed by the board;
- be exclusively responsible for establishing the selection criteria, and selecting, appointing and setting the terms of reference, for any remuneration consultants who advise the Committee;
- consider making provisions for additional Directors' fees where Directors are involved in duties beyond those normally expected as part of the Director's appointment; and
- agree the policy for authorising claims for expenses from the Directors and any changes to this policy.

The Committee shall also make recommendations to the Board concerning:

- suitable candidates for the role of Senior Independent Director, should the Board deem it appropriate to have a Senior Independent Director in future; and
- membership of the Audit Committee, and any other future Board committee as appropriate, in consultation with the Chairman of those Committee(s).

6. Reporting Responsibilities

The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The Committee shall ensure that applicable statutory and regulatory provisions regarding disclosure of information are fulfilled. The Committee shall produce a report on its activities, the Company's remuneration policy and practices to be included in the Company's annual report and the process used for appointments; and if external advice or open advertising has not been used, explain why.

Where an external search agency or remuneration consultant has been used, it shall be identified in the Annual Report and a statement made as to whether it has any connection with the Company as well as any associated fees charged.

Where additional payments were made to Directors, details of the events, duties and responsibilities that gave rise to these should be provided in the annual report.

The report should also include a statement of the Board's policy on diversity, including gender, and any measurable objective that it has set for implementing the policy.

7. Other Matters

The Committee shall:

- ensure that both newly appointed and existing Directors undertake training appropriate to help them fulfil their duties and are provided with a full induction to the Board; through the Chairman of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration; and
- arrange for periodic reviews of its own performance and, at least annually, review its constitution to ensure it is operating at maximum effectiveness.