

Jupiter Fund Management plc
(the “Company”)
Remuneration Committee – Terms of Reference

The Remuneration Committee (hereinafter the “**Committee**”) of the Company is established by the board of directors of the Company (the “**Board**”) as a committee of the Board with the authority, powers and duties set out in these Terms of Reference. Amendment to these Terms of Reference requires the approval of the Board.

1. Duties

The Committee shall:

- 1.1 determine and agree with the Board the overarching policy for the remuneration of the Company’s employees and ensure it is structured in a way that aligns reward with performance and shareholder interests and promotes effective risk management. The remuneration of all non-executive directors other than the chairman shall be a matter for the chairman and the executive members of the Board. No director of the Company (together the “**Directors**” and each a “**Director**”) or manager shall be involved in any decisions as to their own remuneration;
- 1.2 in carrying out its duties, the Committee shall take into account all factors which it deems necessary when determining the remuneration policy and individual remuneration packages, including but not limited to any policy and principles on remuneration issued by the UK Financial Services Authority, the UK Listing Authority, the Financial Reporting Council and any associated guidance. The objective of such policy and packages shall be to ensure that members of the Executive Group (comprising the executive Directors, members of the Executive Committee and such other senior executives and fund managers as the Committee shall designate (the “Executive Group”)) and other employees participate in appropriate incentive arrangements designed to encourage exceptional performance and are rewarded responsibly for their individual contributions to the success of the Company;
- 1.3 determine individuals who may be included as Code Staff (as described in the FSA Policy Statement 10/20, also known as the FSA Remuneration Code) if it is felt that their role means that their activities will have a material impact on the Group’s risk profile.
- 1.4 keep a record of code staff from 21 December 2010 and review it annually.
- 1.5 determine the overall size of the annual incentive pool, taking into account all relevant factors including the profitability of the business, the performance of the Company, the assessment of the Group’s financial and non-financial performance against targets and any constraints around total remuneration spend. These factors must include the level of risk taken to achieve performance;
- 1.6 approve the design of, determine targets for, and monitor the operation of, any performance related pay schemes, ensuring appropriate links exist between risk and reward, operated by the Company and approve the total annual payments made under such schemes;

- 1.7 review the design of all share incentive plans and deferred bonus arrangements for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the eligibility criteria for such awards and the performance targets attaching to those awards, taking into account future risks;
- 1.8 oversee any major changes in employee benefit structures throughout the Company;
- 1.9 determine the total individual remuneration package of the Company's chairman, and of each member of the Executive Group together with any employee whose total remuneration is expected to exceed the median of the total remuneration for the executive Directors in accordance with the agreed remuneration policy and consistent with the financial situation and prospective performance of the Company;
- 1.10 having consulted the chairman of the Board and/ or the Chief Executive Officer of the Company about their proposals relating to the remuneration of other executive Directors, determine and consider all elements of the total individual remuneration package for the Executive Group, namely:
 - (a) base salary (the Committee shall also consider the pension consequences of basic salary increases);
 - (b) bonuses and performance-related payments (including profit-sharing schemes and bonus deferral arrangements);
 - (c) discretionary payments;
 - (d) pension contributions;
 - (e) benefits in kind; and
 - (f) share options and their equivalents;
- 1.11 assess the extent to which individual performance targets for incentive awards have been met by the above group of employees together with the extent to which annual bonus deferrals should be made in line with the remuneration policy;
- 1.12 highlight any risk implications of the Company wide remuneration policy to the compliance and operations risk functions;
- 1.13 review the ongoing appropriateness and relevance of Group (being the Company and its subsidiaries) remuneration policy;
- 1.14 The Remuneration Committee oversees the setting of objectives, considers performance and approves bonus proposals for Code Staff
- 1.15 ensure that the remuneration of employees in the Company's compliance and other risk management functions are determined independently of other business areas and that their performance metrics are based on achievement of the objectives of those functional areas;
- 1.16 determine the policy for, and scope of, pension arrangements for each member of the Executive Group;

- 1.17 ensure that contractual terms on termination of employment, and any payments made, are fair to the individual concerned and the Company, that failure is not rewarded and that duty to mitigate loss is fully recognised;
- 1.18 approve the transfer of funds to an employee benefit trust;
- 1.19 review and note annually the remuneration trends across the Group;
- 1.20 agree the policy for authorising the reimbursement of any claims for expenses from the Chief Executive Officer of the Company and the chairman of the Board;
- 1.21 ensure that all provisions regarding disclosure of remuneration, including pensions, as set out in, including but not limited to, Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) and the UK Corporate Governance Code, are fulfilled and to produce an annual report of the Company's remuneration policy and practices which will form part of the Company's annual report;
- 1.22 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference of any remuneration consultants who advise the Committee, and considering any other connections that they may have with the Company. Any such consultants will be required to sign up to the consulting code as defined in the final Walker Review (2009) ("A review of corporate governance in UK banks and other financial industry entities").
- 1.23 give due regard to published or other available information relating to pay, bonuses and other benefits of executives in companies which are comparable to the Company;
- 1.24 be aware of and advise on any major changes in employee benefit structures throughout the Company or the Group;
- 1.25 consider any other matters as may be requested by the Directors;
- 1.26 not take any decision to employ or dismiss members of the Executive Group, nor have any responsibility for nominations to the Board; and

The chairman of the Board shall remain responsible for ensuring that the Company maintains contact (as required) with its principal shareholders about remuneration in the same way as for other matters concerning the Group.

2. Membership

- 2.1 Members of the Committee shall be appointed by the Board.
- 2.2 The Committee shall comprise at least three members, all of whom shall be non-executive Directors. The chairman of the Board may serve on the Committee if he or she was considered independent on appointment as chairman.
- 2.3 The composition of the Committee is reviewed annually by the Chairman to ensure that the Committee has the skills and experience to fulfil its duties. This review considers the need for appropriate experience of both reward and risk management practices.

- 2.4 Only members of the Committee have the right to attend Committee meetings. However, the Committee may request that any Director, officer or other employee of the Group, or any other individuals whose advice and counsel are sought by the Committee, attend all or part of any meeting and provide such relevant information as the Committee requests.
- 2.5 The Board shall appoint the Committee chairman. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one independent non-executive Director to chair the meeting.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be two members.
- 3.2 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.

4. Secretary

- 4.1 The company secretary or such person as the company secretary delegates shall act as the secretary of the Committee (the "Secretary").
- 4.2 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee.
- 4.3 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 4.4 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Remuneration Committee Chair will provide the Board with appropriate briefing in accordance with 6.1 below.

5. Meeting Administration

- 5.1 The Committee shall meet at least twice a year and at such times as may be agreed by the members and report to the meeting of the Board next following a meeting of the Committee.
- 5.2 No member of the Committee or other attendee shall be present at the relevant part of a meeting of the Committee at which any part of his remuneration is being discussed or participate in any recommendation or decision concerning his remuneration.
- 5.3 Meetings of the Committee may be conducted when the members are physically present or in the form of either video or audio conferences, provided that all members participating in the meeting are able to speak to and hear each other.
- 5.4 Meetings of the Committee shall be called by the Secretary at the request of any of its members.
- 5.5 Unless otherwise agreed by all Committee members, notice of each meeting confirming the venue, time and date and dial-in details (if required), together with an agenda of items to be discussed shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive

Directors as soon as practicable, and in any event no later than five working days before the date of the meeting. Supporting papers shall be sent to the Committee members and to other attendees, as appropriate, at the same time.

6. Reporting Responsibilities

- 6.1 The Committee chairman, or the independent non-executive Director who chaired the meeting, shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 6.3 The Committee 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 annual general meeting.
- 6.4 The Committee chairman shall attend the annual general meeting of the Company and be prepared to respond to any shareholder questions on the activities of the Committee.
- 6.5 The Committee shall provide the Company's remuneration policy statement ("RPS"), including an assessment of the impact of the policy on its risk profile and employee behaviour, for discussion, in person if required, with the appropriate UK regulatory body. It will be responsible for reviewing the Remuneration Policy and its adequacy and effectiveness at least annually.
- 6.6 The Committee shall make available these terms of reference by placing them on the Company's website and/or providing a copy to shareholders on request.

7. Self evaluation

- 7.1 The Committee shall, at least once a year, review its own performance, composition and terms of reference and recommend any changes it considers necessary to the Board for approval.

8. Authority

The Committee is authorised by the Board to:

- 8.1 investigate and undertake any activity within its terms of reference;
- 8.2 seek any information that it properly requires from any employee in order to perform its duties and all employees of the Group are directed to co-operate with any request made by the Committee;
- 8.3 obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference and to invite those persons to attend meetings of the Committee; and
- 8.4 call any employee to be questioned at a meeting of the Committee as and when required.

8 April 2011