FRANKLIN TEMPLETON

Templeton Emerging Markets Investment Trust (TEMIT) Terms of Reference of the Management Engagement Committee (The “Committee”)

THE COMMITTEE IS APPOINTED BY THE BOARD IN ACCORDANCE WITH THE COMPANY’S ARTICLES OF ASSOCIATION. MEMBERSHIP

The Committee shall comprise all of the independent non-executive Directors of the Company.

The Chairman of the Committee shall be the Chairman of the Company, or such other independent non-executive Director as the Board of Directors shall elect from their number from time to time.

In the absence of the Committee Chairman and/or an appointed deputy, the remaining Committee members present shall elect one of their numbers present to chair a meeting.

The Company Secretary of the Company or their nominee shall act as Secretary of the Committee.

MEETINGS

The Committee shall meet as and when required and no less than once per year.

A meeting of the Committee shall be called by giving at least 5 business days’ notice. A meeting may be called by shorter notice if agreed by a majority of the members of the Committee. Meetings shall be called by the Secretary or by the Chairman of the Committee.

The Chairman of the Committee shall preside at all meetings and, in his absence, the members present may appoint one of their number to be Chairman of the meeting.

No business shall be transacted at any meeting of the Committee unless a quorum is present. The quorum for meetings shall be any two members of the Committee.

The Secretary or their nominee shall minute the proceedings of all meetings and circulate the minutes to the Committee. Minutes of Committee meetings shall be tabled at Board meetings for information purposes.

Non-committee members including representatives of the Manager and non-independent Directors may be invited by the Committee to attend any of its meetings.

MANDATE AND REPORTING RESPONSIBILITIES

The Committee shall review annually the performance of, and contractual arrangements with, the Manager and shall scrutinise and hold to account the performance of the Manager. If necessary, it will provide appropriate guidance. In particular the Committee shall:

- Put in place procedures by which the board regularly reviews the continued retention of the Manager’s services;

- Consider the merit of obtaining, on a regular basis, an independent appraisal of the Manager's services;

- Require the Manager to provide attribution analysis and decide whether this should be published at least annually;

- Review the level and method of remuneration, the basis of performance fees (if any) and the notice period;

- Consider whether the Manager's fees should be based on gross assets, net assets or market capitalisation;

- Consider the basis on which to charge management fees on cash or funds managed by the same manager;

- If there is a performance related element, or the introduction of a performance fee is under consideration, the review should seek to ensure that the basis does not encourage excessive risk and that it aligns the interests of the Manager with that of the shareholders to reward the Manager if certain criteria are met. Key factors to be considered include:
    - the views of shareholders;
    - appropriate benchmarks/hurdle rates;
    - a reduction in the basic fee when a performance fee is introduced;
    - a cap on the performance fee;
    - a high-water mark; and
    - a combination of short-term and long-term measurements and incentives.

- Investigate any breaches of agreed investment limits and any deviation from the agreed investment policy and strategy;

- Review the standard of the administrative services and company secretarial services provided by the Secretary and Administrator;

- Make recommendations to the Board on any matter within its remit;

- Employ the services of such legal or professional advisers as is deemed necessary to fulfil its responsibilities;
- Make a statement in the Annual Report about its activities, describing the process of annual review of the Manager.

Dated 4 June 2019