

British Empire Trust plc

Disclosure Committee – Terms of Reference

Background

The Company is required to make timely and accurate disclosure of all information that is required to be so disclosed to meet the legal and regulatory obligations and requirements arising from its listing on the London Stock Exchange.

The obligations on the Company relating to the disclosure and control of its Inside Information are set out in the EU Market Abuse Regulation (Regulation 596/2014) ("**MAR**") together with its associated implementing regulations and guidance. The FCA's Disclosure Guidance ("**DG**") provides further assistance in respect of interpretation of the applicable rules.

These terms of reference seek to assist the Disclosure Committee in:

- 1 identifying Inside Information when it arises;
- 2 understanding the Company's disclosure obligations in respect of such Inside Information; and
- 3 understanding the record-keeping and notification obligations of the Company in respect of Inside Information.

Definitions

Inside information is information that is:

- of a precise nature,
- relates directly or indirectly to the Company or its shares, and
- is not publically available, but which, if made generally available, would be "likely to have a significant effect on share price". Information is likely to have a significant effect on share price if a reasonable investor would use it as part of the basis for his investment decisions.

Inside information which has not been made generally available to the public is strictly confidential and should not be disclosed, other than to other people within the Company or to advisers, who need to know the information to perform their function.

Membership and Quorum

All Directors are members (the "Members") of the Disclosure Committee.

The quorum of the Disclosure Committee shall be two Members and at least one Member forming the quorum shall be either the Chairman of the Company, the Chairman of the Audit Committee or the Senior Independent Director.

The Company Secretary to the Board shall be Secretary of the Committee.

The Members will report to the Board on the Committee's decisions and recommendations.

Attendees

- Any person or persons from the Investment Manager or Administrator invited by the Committee
- Any other person(s) who the Committee may invite from time to time

Authority

The Committee is authorised by the Board to:

- investigate any activity within its terms of reference;
- seek any information that it requires from any Director or representative of a third party service provider of the Company; to this end, all Directors and service providers are directed to co-operate with any request made by the Committee;
- have unrestricted access to Company documents and information;
- consult with the Company's lawyers and corporate brokers, when appropriate, to assess whether information is price sensitive;
- obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference and secure the attendance of outsiders with relevant experience and expertise at Committee meetings if it considers this necessary; and
- to approve ad hoc announcements for immediate release. For the avoidance of doubt, provided that a meeting of the Committee is quorate, the Committee may approve an announcement for immediate release without further reference to Committee members who are not present at the meeting.

Duties

If, at any given point in time, one of the Members obtains access to or is advised by the Investment Manager of the potential existence of or identifies Inside Information with respect to the Company, the Member shall immediately send an email to a distribution list made up of all the Members of the Committee to inform them of the same. At this point in time, the Disclosure Committee will be deemed to have been convened and the other Members are required to respond as soon as possible to ascertain whether the information which has been notified is deemed to be Inside Information and the action required to be taken.

The Committee shall determine whether the information that has been identified:

1. is Inside Information; and
2. requires immediate disclosure; or
3. meets the requirements to enable the Company to delay disclosure (where immediate disclosure would prejudice the Company's legitimate interests, if withholding the information will not mislead the public, and the Company can ensure confidentiality).

Disclosure of Inside Information may be delayed provided that the delay meets the following conditions:

1. immediate disclosure is likely to prejudice the Company's legitimate interests;
2. any delay in disclosing the information is unlikely to mislead the public; or
3. the Company is able to ensure the confidentiality of that information.

Once information has been confirmed as being Inside Information, a Member of the Committee shall determine whether announcement of this information should be delayed or an announcement released to the market immediately.

Where the information is to be announced without delay, the Committee shall review and agree the contents of the announcement for release to the London Stock Exchange.

Where the disclosure can be delayed, the Committee shall continue to monitor and record the delay procedure, and consider whether it is permissible to disclose such information selectively to third parties (but information may only be disclosed if the recipient of the information owes a duty of confidentiality).

If a decision is made to delay the Inside Information, the Company Secretary will:

- set up a project insider list as prescribed by MAR
- keep a record of the Committee's assessment of the information as being Inside Information and why disclosure has been delayed
- arrange for the FCA to be notified when the Inside Information is announced using the relevant FCA Delayed Disclosure of Inside Information form.

Note: The Members and people on the project insider list will have the responsibility to ensure that the information remains confidential and to set up their own insider lists with respect to people within their organisations who could have access to this information.

The Committee is responsible for keeping the Board apprised of material developments in connection with the identification, treatment and disclosure of Inside Information.

The Committee shall also:

1. assess relevant and substantive market rumours or speculation concerning the Company and determine whether any response should be made; and
2. consider generally the requirement for announcements, including in the following circumstances:
 - interim steps in a protracted process, e.g., a project;

- a change in circumstances during the period when disclosure of Inside Information is delayed;
- rumours relating to the Company;
- in the case of a leak of Inside Information, and in particular the need to issue holding announcements; and
- reviewing the content of and ensuring that all material regulatory announcements, transactional shareholder circulars, prospectuses, and any other documents issued by the Company under legal or regulatory obligations comply with applicable requirements

Adopted on 15 September 2016