

# Directors' Remuneration Report

**This report has been prepared in accordance with the requirements of Schedule 7A to the Companies Act 1985 incorporating the Directors' Remuneration Report Regulations 2002. An ordinary resolution for the approval of the report will be put to stockholders at the AGM on 25 January 2008.**

## Remuneration Committee

The company has a remuneration committee whose terms of reference include setting the fees of the directors. The full terms of reference are posted on the company's website. The committee is chaired by Hamish Buchan and the other members are Douglas McDougall and James MacLeod.

The remuneration committee met on 26 May 2006 and considered the level of directors' fees. The committee proposed an increase in directors' fees to the level recommended by external consultants, MacDonald Kinnaird, namely £40,000 per annum for the chairman and £24,000 per annum for other directors. This proposal was approved by stockholders at the AGM held on 26 January 2007.

## Policy on Directors' Fees

At the year end the board consisted of five directors, all of whom are non-executive. Directors' fees are set with a view to attracting individuals of appropriate calibre and experience, taking into account the time commitment required and the level of fees paid by similar investment trusts. It is intended that this policy will apply for the year to 31 October 2008 and to subsequent years. The directors do not receive bonuses, share options, long-term incentives, pension or other benefits.

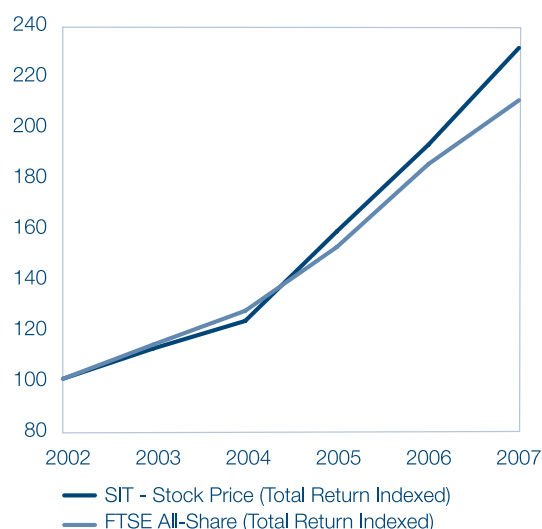
## Service Contracts

The directors do not have service contracts. They have letters of appointment for fixed terms of not more than three years which can be renewed but there is no notice period and no compensation is payable on early termination. All directors are subject to retirement by rotation and re-election subject to stockholders' approval at intervals of not more than three years.

## Company Performance

The graph below shows the company's five year total return compared to the notional total return on the FTSE All-Share Index over the same period.

This index has been chosen as it is a common performance comparator for companies such as SIT.



## Directors' Emoluments for the Year to 31 October 2007 (audited)

Fees	2007 £	2006 £
DCP McDougall	40,000	35,000
Sir George Mathewson	24,000	20,000
DFK Finlay	24,000	20,000
HN Buchan	24,000	20,000
JS MacLeod	24,000	20,000
IH Leslie Melville	6,000	20,000
	142,000	135,000

Hamish Leslie Melville retired from the board on 26 January 2007. His fees were paid to Credit Suisse Securities (Europe) Limited. The other directors received their fees personally.

## Approval

The directors' remuneration report was approved by the board on 10 December 2007 and signed on its behalf by the chairman of the remuneration committee.

**Hamish Buchan**  
10 December 2007