

# HENDERSON EUROTRUST PLC

## Terms of Reference for the Nominations Committee (the 'Committee')

### 1. Constitution

The Committee is constituted by the Board of Directors and assists the Board in meeting its responsibilities for ensuring that the Board retains an appropriate balance of skills, experience and diversity, has a formal, rigorous and transparent approach to the appointment of directors and maintains an effective framework for succession planning.

### 2. Membership

2.1 The Committee shall be appointed by the Board in accordance with the Articles of Association of the Company (Article 140) and comprise a Chairman and all the directors of the Company who are independent of the Manager.

2.2 The Chairman of the Committee is the Chairman of the Board, unless the Committee is choosing his successor in which case another independent non-executive director will chair the meeting.

2.3 Only members of the Committee have the right to attend meetings, but the Committee may invite others, including but not limited to any director, officer or employee of the Manager or any person whose advice is sought, to attend all or part of any meeting if it thinks it is appropriate or necessary.

2.4 Appointments to the Committee shall be for a period of up to three years, which may be extended.

### 3. Secretary

The Company Secretary or their nominee shall act as the Secretary of the Committee. A member of the Committee may act as Secretary in the Secretary's absence.

### 4. Quorum

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

### 5. Frequency of Meetings

The Committee shall meet at least on an annual basis and at such other times as the Committee Chairman shall require.

### 6. Notice of Meetings

6.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any member thereof.

6.2 Unless otherwise agreed by the Committee, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to the Committee members at the same time.

6.3 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

## **7. Minutes of Meetings**

7.1 The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.

7.2 Draft minutes of the Committee meetings shall be agreed with the Committee Chairman and then circulated to all members of the Committee, unless it would be inappropriate to do so in the opinion of the Committee Chairman.

7.3 Draft minutes will be included in the next set of Board papers for the Board's review.

## **8. Annual General Meeting**

The Committee Chairman should attend the annual general meeting to answer shareholder questions.

## **9. Duties**

The Committee is responsible for:

### **9.1 Board Composition**

9.1.1 Regularly reviewing the structure, size and composition (including the skills, knowledge, diversity and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes.

9.1.2 Giving full consideration to succession planning for directors taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in the future.

9.1.3 If appropriate, developing and periodically review any objectives which may be established for the implementation of diversity on the Board and monitor progress toward the achievement of those objectives.

### **9.2 Appointment of Directors**

9.2.1 Identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arrive.

9.2.2 Prior to making an appointment, evaluating the balance of skills, knowledge, diversity and experience on the Board, and in the light of this evaluation prepare a description of the role and capabilities required.

9.2.3 Considering the process to be followed in making appointments, including the use of the services of external advisers to facilitate the search.

9.2.4 Considering candidates from a wide range of backgrounds and consider candidates on merit against objective criteria, taking care that appointees have enough time available to devote to the position.

- 9.2.5 Ensuring 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.

### **9.3 Independence and Time Commitment**

- 9.3.1 Reviewing 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.
- 9.3.2 Reviewing the independence of the non-executive directors.

## **10. Performance Evaluation Methodology**

- 10.1 The Chairman of the Nominations Committee will review each individual director's performance and contribution, and the work of the Board as a whole, on an annual basis.
- 10.2 The Committee will review the performance of the Chairman on an annual basis, and the directors may meet without the Chairman as part of this process.

## **11. Recommendations to the Board**

The Committee shall make recommendations to the Board as regards:

- 11.1 Succession for non-executive directors and in particular for the key role of Chairman.
- 11.2 The reappointment of any non-executive director at the conclusion of their term of office having due regard to their performance, knowledge, skills, experience and ability to continue to contribute to the Board.
- 11.3 The re-election by shareholders of any director under the retirement by rotation provisions in the Articles of Association.
- 11.4 Any matters relating to the continuation in office of any director at any time.
- 11.5 The appointment of any director.
- 11.6 Suitable candidates for membership of Board Committees and the role of Senior Independent Director if one is to be appointed.
- 11.7 Proposals for the annual re-election of any director deemed not to be "independent".
- 11.8 Proposals for the annual re-election of any director who has served more than three terms of three years.

## **12. Reporting Responsibilities**

- 12.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting.
- 12.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit.
- 12.3 The Committee shall make a statement in the Annual Report concerning its activities, the process used to make appointments and explain if external advice or open

advertising has not been used. Furthermore, details of the membership of the Committee, the number of Committee meetings held and attendance over the course of the year require disclosure in the Annual Report.

### **13. Other Matters**

The Committee shall:

- 13.1 Have authority to investigate any matters within its terms of reference and to be supplied with access to sufficient resource to carry out its duties and full access to information.
- 13.2 Give due consideration to relevant laws and regulations, the provisions of the Association of Investment Companies Code of Corporate Governance and the requirements of the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate.
- 13.3 Periodically review its own performance and keep these terms of reference under regular review.

### **14. Authority**

The Committee is authorised to:

- 14.1 Seek any information it requires from any employee of the Manager in order to perform its duties.
- 14.2 Obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so.

(Amended 18 July 2017)