

# Schroder Income Growth Fund plc

## Terms of Reference

### For the Nomination Committee

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#### Role

1. The role of the Nomination Committee (the "Committee") is to consider and make recommendations to the Board on its composition so as to maintain an appropriate balance of skills, experience and diversity, including gender and to ensure progressive refreshing of the Board. The Committee shall do this by driving the selection process, annual board evaluation process and oversee succession planning.

#### Membership

2. The Committee shall be appointed by the Board and shall consist of not less than three members all of which shall be non-executive Directors of the Company.
3. The Chair of the Committee shall be appointed by the Board.
4. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.
4. Membership of the Committee shall be reviewed by the Board from time to time.
5. The Chair of the Board can be the Chair of the Committee, except where the Committee considers the appointment of a successor to the Chair of the Board. In this event, the Committee shall elect a Chair other than the Chair of the Board, for these purposes alone, from among the other independent members.
6. The Committee may invite such persons as it deems appropriate to attend meetings.
7. The Board may fill vacancies in the Committee by appointment from amongst the Board.

#### Quorum

8. A quorum shall be two members, both of whom must be independent.
9. Members may participate in a meeting of the Committee by means of a telephone or other communication equipment.

## **Company Secretary**

10. The Company Secretary, or their nominee, shall be the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues. The Company Secretary, or their nominee, shall attend all meetings of the Committee.
11. The Committee shall have access to the services of the Company Secretary on all Committee matters, including: assisting the Committee Chair in planning the Committee's work, drafting meeting agendas, maintaining minutes, drafting of material about its activities for the annual report, collection and distribution of information and provision of any necessary practical support.

## **Frequency of Meetings**

12. The Committee shall meet at least annually and otherwise as required.

## **Notice of Meetings**

13. Meetings of the Committee shall be convened by the Company Secretary at the request of any of its members.
14. 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 generally no later than seven working days before the date of the meeting. The Company Secretary or his or her nominee shall ensure that supporting information and papers shall be sent to Committee members and other attendees as appropriate at the same time.
15. Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

## **Minutes of Meetings**

16. The Company Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
17. The Company Secretary shall ascertain at the beginning of each meeting the existence of any conflicts of interest and minute them accordingly.
18. Draft minutes of Committee shall be agreed with the Chair of the Committee and then the Company Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

## **Annual General Meeting**

19. The Chair of the Committee shall attend the Company's Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

## **Authority**

20. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to employ the services of such advisers as it deems necessary to fulfil its responsibilities, and to invite such persons as it considers appropriate to attend its meetings and to participate in its discussions.

## **Duties**

21. The duties of the Committee shall be:
- (a) to evaluate the balance of skills, knowledge, experience and diversity, including gender, of the Board of Directors and to prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
    - (i) consider the use of open advertising or the services of external advisers to facilitate the search;
    - (ii) consider candidates from a wide range of backgrounds;
    - (iii) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, social and ethnic backgrounds, taking care that appointees have enough time available to devote to the position;
  - (b) if appropriate, select an executive recruitment agency, which shall be independent of each of the Directors;
  - (c) give full consideration to succession planning for directors in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;
  - (d) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
  - (e) select potential candidates to fill vacancies on the Board of Directors for recommendation to the Board;
  - (f) ensure that new directors are given a suitable induction;
  - (g) interview, or arrange for suitable directors to interview, suitable candidates for directors;
  - (h) for the appointment of a Chair of the Board, the Committee should prepare a job specification, including the time commitment expected recognising the need for availability in the event of a crisis. A proposed Chair of the Board's other significant commitments should be disclosed to the Board before appointment and any changes to the Chair of the Board's commitments should be reported to the Board as they arise;

- (i) prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest
- (j) ensure 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 services and involvement outside board meetings;
- (k) assist the Chair of the Board with considering having a regular externally facilitated board evaluation, in line with the recommendations of the AIC Code of Corporate Governance (the "AIC Code");
- (l) undertake an annual evaluation of the Board and Directors, including consideration of balance of skills, experience, independence and knowledge of the Company, its diversity, including gender, social and ethnic backgrounds, how the Board works together as a unit and other factors relevant to the Board's effectiveness and make recommendations to the Board with respect to each Director's annual re-election;
- (m) undertake an annual evaluation of the Chair of the Board to assess the performance and effectiveness of the Chair in fulfilling their responsibilities;
- (n) review the results of the Board performance evaluation process that relate to the composition of the Board;
- (o) review annually the time required from non-executive Directors. A performance evaluation should be used to assess whether the non-executive Directors are spending enough time to fulfil their duties;
- (p) consider and make recommendations to the Board on its composition so as to maintain an appropriate balance of skills, experience and diversity, including gender and to ensure progressive refreshing of the Board;
- (q) consider whether a senior independent director should be appointed and, if appropriate, to identify and recommend to the Board suitable candidates for the role;
- (r) prepare a policy on the tenure of the Chair and the Board;
- (s) prepare and maintain the Company's diversity policy;
- (t) consider other issues, as requested and defined by the Board.

## **Reporting Responsibilities**

22. The Committee Chair, or in his/her absence the elected Chair of the relevant meeting, shall report on the issues raised at the meeting to the Board at the earliest opportunity on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. This report shall include any issues on which the Board has requested the Committee's opinion.

23. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
24. The Committee shall compile a report on its activities, including its membership and frequency of and attendance at its meetings, to be included in the Company's annual report. The report should include an explanation of the Committee's activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Company and all other information requirements set out in the AIC Code.
25. The report referred to in paragraph 24 should include a statement of the Board's policy on diversity and inclusion, any measurable objectives that it has set for implementing the policy and linking to the Company's strategy, and progress on achieving the objectives.

### **Other Matters**

The Committee shall:

26. Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for advice and assistance as required.
27. Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
28. Give due consideration to all relevant laws and regulations, the provisions of the AIC Code and published guidelines or recommendations and any other applicable rules, as appropriate.
29. Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Date of approval  
July 2023

Date of next review  
July 2024