

# Schroder Asian Total Return Investment Company plc

(the "Company")

## Terms of Reference

### Nomination Committee

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#### 1. Purpose

The Board has established the Nomination Committee (the "Committee") to lead the process for appointments, ensure plans are in place for orderly succession to the Board positions, oversee the development of a diverse pipeline for succession and to consider and make recommendations to the Board on the remuneration of Directors.

#### 2. Membership

- 2.1. The Committee shall comprise at least three members. A majority of the members of the Committee shall be independent non-executive Directors.
- 2.2. Members of the Committee shall be appointed by the Board on the recommendation of the Committee. The membership of the Committee may be amended from time to time by the Board.
- 2.3. Only members of the Committee have the right to attend Committee meetings, other individuals, including representatives of the Manager may be invited to attend all or part of any meeting as and when appropriate.
- 2.4. The Board shall appoint the Committee Chair who should be either the Chair of the Board or an independent non-executive director. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Chair of the Board shall not chair the Committee when it is dealing with the matter of succession of the Chair of the Board.
- 2.5. Committee members are required to declare any conflicts of interest or potential conflicts of interest at the start of each meeting.

#### 3. Secretary

The Company Secretary, or their nominee, shall act as 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 issues. The Company Secretary, or their nominee, shall attend all meetings of the Committee.

#### 4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be two members of the Committee both of whom must be independent non-executive Directors.
- 4.2 Members of the Committee may attend Committee meetings in person, by videoconference, telephone or similar form of communication equipment.

## **5. Frequency of Meeting**

The Committee shall meet at least once a year at an appropriate time and otherwise as required.

## **6. Notice of meetings**

- 6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or any of its members.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time, and date of the meeting, 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 committee members and to other attendees, as appropriate, 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 Committee meetings, including recording the names of those present and in attendance.
- 7.2 Draft minutes of Committee meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all members of the Board unless, exceptionally, it would be inappropriate to do so.

## **8. Engagement with shareholders**

The Chair of the Committee shall attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

## **9. Duties**

The Committee shall:

- 9.1 Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.
- 9.2 Ensure plans are in place for orderly succession to Board positions and oversee the development of a diverse pipeline for succession, considering the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.
- 9.3 Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- 9.4 Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment and the time commitment expected. In identifying suitable candidates, the Committee shall
- consider using open advertising or the services of external advisers to facilitate the search;
  - consider candidates from a wide range of backgrounds; and
  - consider candidates on merit and against objective criteria, having due regard to the benefits of diversity on the Board and taking care that appointees have enough time available to devote to the position.
- 9.5 Prior to the appointment of a non-executive Director, other significant time commitments should be disclosed, and any additional future commitments should not be undertaken without prior approval of the Board. The proposed appointee should also be required to disclose any other business interests that may result in a conflict of interest. These must be authorised by the Board prior to appointment and any future business interests that could result in a conflict of interest must not be undertaken without prior authorisation of the board.
- 9.6 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 service and involvement outside Board meetings.
- 9.7 Review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning.
- 9.8 Review 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.

- 9.9 Assess and recommend which Directors are independent for approval by the Board and for disclosure in the Annual Report and Accounts.
- 9.10 The Committee shall also make recommendations to the Board concerning:
- the re-election by shareholders of Directors under the annual re-election provisions of the Code or the retirement by rotation provisions in the company's articles of association, having due regard to their performance and ability, and why their contribution is important to the Company's long-term sustainable success in the light of the skills, experience and knowledge required and the need for progressive refreshing of the Board, taking into account the length of service of individual Directors, the Chair and the Board as whole.
  - for changes to the Chair and membership of the Company's committees and the Senior Independent Director.
- 9.11 Determine remuneration policy and to review the ongoing appropriateness and relevance of the policy which shall:
- support strategy and promote the long-term sustainable success of the Company;
  - ensure that members of the Board are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company; and
  - take into account all factors deemed necessary including relevant legal and regulatory requirements.
- 9.12 To review annually and make recommendations on the fees paid to non-executive Directors in light of Directors' workloads, levels of responsibility and industry norms. No Director shall be involved in any decisions as to their own remuneration outcome;
- 9.13 Make recommendations to the Board for approval of the Remuneration Report by shareholders of the Company at the Annual General Meeting of the Company (advisory vote only);
- 9.14 Have full authority to appoint remuneration consultants and to commission or purchase any reports surveys or information which it deems necessary at the expense of the Company but within any budgetary restraints imposed by the Board and be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- 9.15 To agree the policy for authorising claims for expenses from the Directors; and

9.16 To consider other issues related to the remuneration of Directors, as requested and defined by the Board.

## **10. Reporting responsibilities**

10.1 The Chair of the Committee shall report formally to the Board on the proceedings of the Committee after each meeting on all matters within its duties and responsibilities.

10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit.

10.4 A report of the Committee's activities shall be compiled and included in the Company's annual report, setting out the membership and work of the Committee.

## **11. Other matters**

The Committee shall:

11.1 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for advice and assistance as required.

11.2 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.

11.3 Give due consideration to all relevant laws and regulations, the provisions of the UK Corporate Governance Code the AIC Code on Corporate Governance, the requirements of the FCA's Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate.

11.5 Ensure that a periodic evaluation of the committee's performance is carried out.

11.6 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.

## **12. Authority**

The Committee is authorised to:

12.1 Request the attendance of any representatives of the Manager at a meeting of the committee and/or seek any information it requires from any employee of the Manager in order to perform its duties.

12.2 Obtain, at the Company's expense, independent legal or other professional advice on any matter within its terms of reference if it believes it necessary to do so.