

# Schroder Income Growth Fund plc

## Terms of Reference

### For the Remuneration Committee

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#### **Role**

1. The role of the Remuneration Committee (the "Committee") is to consider and make recommendations to the Board on the remuneration of the Directors.

#### **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.
5. Membership of the Committee shall be reviewed by the Board from time to time.
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 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 Secretary on all Remuneration 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 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 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 the 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) Determine and agree with the Board the framework or broad policy for the remuneration of the Directors to ensure that the policy supports strategy and promotes the long-term sustainable success of the Company. The objective of the policy shall be to ensure that members of the Board are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company. No Director shall be involved in any decisions as to their own remuneration outcome;
  - (b) in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the AIC Code of Corporate Governance (the "AIC Code") and associated guidance;
  - (c) 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;

- (d) to review the ongoing appropriateness and relevance of the remuneration policy;
- (e) 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);
- (f) 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;
- (g) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- (h) to agree the policy for authorising claims for expenses from the Directors; and
- (i) to consider other issues related to the remuneration of Directors, 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 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 provide a description of its work in the annual report, including its membership and frequency of and attendance at its meetings, in line with the requirements of the UK Corporate Governance Code.
- 25. The Committee shall ensure that each year the Remuneration Report is put to shareholders for approval as an advisory vote at the AGM and the Remuneration Policy is put to shareholders for approval every three years at the AGM or whenever there is a change to the Remuneration Policy.

### **Other Matters**

The Committee shall:

- 26. Have access to sufficient resources in order to carry out its duties, including access to the company secretariat 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