

**STANDARD LIFE INVESTMENTS PROPERTY INCOME TRUST LIMITED**

**TERMS OF REFERENCE - NOMINATION COMMITTEE**

**APPROVED 20 AUGUST 2013**

**Constitution**

The Nomination Committee (the “Committee”) was constituted by resolution of the Board on 24 May 2011. An extract of the board meeting minute is attached to these terms of reference.

**1. Membership**

- 1.1. The Committee shall comprise of at least 2 directors. A majority of the members of the Committee should be independent non-executive directors. All appointments to the Committee shall be made by the board.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, other directors and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.3. The board shall appoint the Committee chairman who should be either the chairman of the board or an independent non-executive director. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the board. The chairman of the board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

**2. Secretary**

The company secretary or their nominee shall act as the secretary of the Committee.

**3. Quorum**

- 3.1. The quorum necessary for the transaction of business shall be 2 both of whom must be independent non-executive directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.

**4. Frequency of meetings**

- 4.1. The Committee shall meet at such other times as the chairman of the Committee or the board direct.

## **5. Notice of meetings**

- 5.1. Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chairman.
- 5.2. Unless otherwise agreed, 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, any other person required to attend and all other non-executive directors, no later than 5 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. Minutes of meetings**

- 6.1. The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the chairman of the board and, once agreed, to all other members of the board, unless a conflict of interest exists.

## **7. Annual General Meeting**

- 7.1. The Committee chairman shall attend the annual general meeting prepared to respond to any shareholder questions on the committee's activities.

## **8. Duties**

- 8.1. The Committee shall
  - 8.1.1. regularly review the structure, size and composition (including the skills, knowledge and experience) required of the board compared to its current position and make recommendations to the board with regard to any changes
  - 8.1.2. give full consideration to succession planning for directors, taking into account the challenges and opportunities facing the company, and what skills and expertise are therefore needed on the board in the future
  - 8.1.3. be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise
  - 8.1.4. before any appointment is made by the board, evaluate the balance of skills, knowledge and experience on the board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the committee shall

- 8.1.4.1. use open advertising or the services of external advisers to facilitate the search
- 8.1.4.2. consider candidates from a wide range of backgrounds
- 8.1.4.3. consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position
- 8.1.5. keep under review the leadership needs of the organisation, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace
- 8.1.6. keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates
- 8.1.7. 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
- 8.1.8. The Committee shall also make recommendations to the board concerning
- 8.1.9. formulating plans for succession for directors and in particular for the key roles of chairman
- 8.1.10. the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required
- 8.1.11. the re-election by shareholders of any director under the 'retirement by rotation' provisions in the company's articles of association having due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required
- 8.1.12. any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the company subject to the provisions of the law and their service contract
- 8.1.13. the appointment of any director to other office

## **9. Reporting responsibilities**

- 9.1. The Committee chairman shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities.

- 9.2. The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3. The Committee shall make a statement in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

## **10. Other**

- 10.1. The Committee shall, at least once a year, review its own performance, 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.

## **11. Authority**

- 11.1. The Committee is authorised to seek any information it requires from any employee of the company in order to perform its duties.
- 11.2. The Committee is authorised to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.

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**POLICY ON BOARD TENURE**

Future Board appointments will normally be made for a maximum of three, three year terms. There is a commitment to refresh the Board at regular intervals.

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**Membership of Committee & Appointment Schedule**

<b>Members</b>	<b>Appointment Date</b>
Richard Barfield (Chairman)	24 May 2011
Paul Orchard-Lisle	24 May 2011
Shelagh Mason	24 May 2011
Susie Farnon	24 May 2011
Huw Evans	14 May 2013

**Establishment of the Committee**

Extract of board meeting minute of 24 May 2011 at 9.15 a.m.

**COMMITTEE OF THE BOARD:**

The Chairman recommended the proposed memberships and terms of reference of the Board Committees.

After some consideration, IT WAS RESOLVED that the Committees would be best constituted as follows:

**Audit Committee**

Susie Farnon (Chairman)  
David Moore  
Dick Barfield  
Shelagh Mason

**Property Valuation Committee**

Paul Orchard-Lisle (Chairman)  
David Moore  
Dick Barfield  
Shelagh Mason

Susie Farnon

Management Engagement Committee

Shelagh Mason (Chairman)

David Moore

Paul Orchard-Lisle

Susie Farnon

Nomination Committee

Dick Barfield (Chairman)

David Moore

Paul Orchard-Lisle

Shelagh Mason

Susie Farnon

Remuneration Committee

Dick Barfield (Chairman)

David Moore

Paul Orchard-Lisle

Shelagh Mason

Susie Farnon

IT WAS ALSO RESOLVED THAT, subject to some minor amendments, the Terms of Reference tabled at the meeting, in respect of each of the committees, should be adopted with immediate effect.

It was also agreed that regular dates for these committee meetings would be discussed and incorporated into the corporate calendar.