

Invesco Perpetual Select Trust plc

Terms of Reference of the Nomination Committee (Last updated July 2019)

“The board should establish a nomination committee to lead the process for appointments, ensure plans are in place for orderly succession to the board and oversee the development of a diverse pipeline for succession”.
(AIC Code of Corporate Governance 2019)

1. Objective

The general objective of the Nomination Committee (the ‘Committee’) is to regularly review the Board’s structure and composition, and make recommendations to the Board with regard to any new appointments.

2. Membership

- 2.1. The Nomination Committee shall be appointed by the Board and shall comprise a Chairman and at least two other members.
- 2.2. Members of the Nomination Committee shall be non-executive directors, independent of the Company and the Fund Managers.
- 2.3. The Board shall appoint the Nomination Committee Chairman. In the absence of the Nomination Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
- 2.4. Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence (It is recommended that, where possible, the Chairman and members of the Nomination Committee should be rotated on a regular basis).

3. Secretary

- 3.1. The Company Secretary or their nominee shall act as the Secretary of the Nomination Committee.

4. Quorum

- 4.1. The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Nomination 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 Nomination Committee.

5. Frequency of Meetings

The Committee shall meet at such times as the Chairman of the Nomination Committee shall require. Except when the Board undertakes the Nomination Committee functions itself rather than delegating to the Committee, the Committee shall meet not less than once a year.

Registered Office:

Perpetual Park
Perpetual Park Drive
Henley-on-Thames
Oxfordshire
RG9 1HH

Administrative Office:

43-45 Portman Square
London W1H 6LY
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Facsimile: 020 3753 0123

6. Notice of Meetings

- 6.1. Meetings of the Nomination Committee shall be summoned by the Secretary of the Nomination Committee at the request of the Chairman of the Nomination Committee.
- 6.2. 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 no fewer than 5 working days prior to the date of the meeting.

7. Minutes of Meetings

- 7.1. The Secretary shall minute the proceedings and resolutions of all Nomination Committee meetings, including the names of those present and in attendance.
- 7.2. Minutes of Nomination Committee meetings shall be circulated to all members of the Nomination Committee and the whole Board within 10 working days, following the approval of the Chairman of the Nomination Committee.

8. Annual General Meeting

- 8.1. The Chairman of the Nomination Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Nomination Committee's activities.

9. Duties

- 9.1. The Committee shall:
 - 9.1.1. regularly evaluate the structure, size, balance of skills, knowledge, diversity, experience and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary;
 - 9.1.2. keep under review the leadership needs of the Company with a view to ensuring the continued ability of the Company to compete effectively;
 - 9.1.3. prepare a description of the role and capabilities required for a particular appointment;
 - 9.1.4. be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
 - 9.1.5. consider the process by which new Directors are appointed and decide whether or not to use an external search consultancy or open advertising;
 - 9.1.6. give full consideration to succession planning for Directors taking into account the challenges and opportunities facing the Company, and what skills and expertise would be needed on the Board in the future;
 - 9.1.7. oversee an annual performance evaluation of the Chairman, Senior Independent Director and Non Executive Directors, including ensuring that all members of the board have devoted sufficient time to their duties;
 - 9.1.8. ensure that before the appointment of a candidate that he/she has sufficient time to undertake the role and conducts a review of his/her commitments.;

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- 9.1.9. ensure that the Company Secretary on behalf of the Board writes formally to any appointees, detailing the role and time commitments, and arranges an induction, which enables the candidate to build an understanding of the nature of the Company, its business, the markets in which it operates and the Company's main relationships including those with the Fund Managers, Company Secretary, Trust Accountant, Compliance, Broker, Auditor and Shareholders;
 - 9.1.10. consider the statement in the Annual Report and Accounts, in which the work of the Nomination Committee is described, including the process it has used in relation to Board appointments and an explanation as to whether an external search consultancy or open advertising was used in the appointment of a Chairman or Director; and
 - 9.1.11. ensure that the papers accompanying the resolutions to elect each director include the specific reasons why their contribution is, and continues to be, important to the company's long-term sustainable success.
- 9.2. It shall also make recommendations to the Board:
- 9.2.1. with regards to formulating succession plans and assessing whether the present Directors, including the Chairman and Senior Independent Director, should continue in post, taking into account the needs of continuity versus freshness of approach;
 - 9.2.2. with regards to determining a policy on the tenure of the chair. A clear rationale for the expected tenure should be provided, and the policy should explain how this is consistent with the need for regular refreshment and diversity;
 - 9.2.3. as regards the re-appointment of any Non Executive Director at the conclusion of his or her specified term of office; especially when a second term is concluded;
 - 9.2.4. concerning the re-election by shareholders of any Director under the 'retirement by rotation' provisions in the Company's articles of association;
 - 9.2.5. concerning any matters relating to the continuation in office of any Director at any time;
 - 9.2.6. detailing items that should be published in the Company's Annual Report relating to the activities of the Nomination Committee; and
 - 9.2.7. with regard to the membership and chairmanship of the Committees of the Board.

10. Authority

- 10.1. The Nomination Committee is authorised to seek any information it requires from any employee of the Fund Managers in order to perform its duties.
- 10.2. The Nomination Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference, up to an initial level of £5,000 without reference to the Board.

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