

THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC

(the “Company”)

Terms of Reference for the Nomination Committee

1. Constitution

The Nomination Committee (the “Committee”) is appointed as a committee of the Board in accordance with the articles of association of the Company. Members of the Committee shall be appointed by the Board and in consultation with the Chairman of the Committee. The Chairman of the Committee shall be appointed by the Board. The Committee shall have a minimum of three members.

All members of the Committee shall be independent non-executive directors. A quorum shall be any two members of the Committee present in person. The Chairman of the Board shall not chair the Committee when it is dealing with the succession to the chairmanship or considering changes to the Chairman’s fees.

2. Conduct of Meetings

Meetings shall be held at least once a year, which, in the normal course of events be held shortly before the Company’s year end. Only members of the Committee have the right to attend meetings. However, other individuals, including representatives of the Manager and external advisers, may be invited to attend for all or part of any meeting. The Company Secretary shall act as Secretary to the Committee. The Chairman of the Committee shall attend the Annual General Meeting of the Company so as to be available to respond to questions about the Committee’s work.

3. Authority

The Committee is authorised to investigate any matters within its terms of reference and to:

- (i) have access to all relevant information of the Company;
- (ii) obtain independent professional advice and assistance in the identification and selection of suitable candidates.

4. Duties

To fulfil the duty under section 172 of the Companies Act 2006, each individual director must act in the way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and in doing so, have regard to a number of broader matters including:

- (a) the likely consequences of any decision in the long-term;
- (b) the need to foster the company’s business relationships with suppliers, customers and others;
- (c) the impact of the company’s operations on the community and the environment;
- (d) the desirability of the company maintaining a reputation for high standards of business conduct; and
- (e) the need to act fairly between members of the company.

The Committee shall:

- (i) review regularly the structure, size and composition of the Board and its Committees (including the directors’ skills, knowledge, diversity and experience) and to make recommendations to the Board as to any required changes;
- (ii) evaluate the balance of skills, knowledge and experience on the Board and, and, on behalf of the Board, review succession planning, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future, to ensure plans are in place for orderly succession to the Board and to oversee and develop a diverse pipeline for succession;
- (iii) in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;
- (iv) review the re-appointment of directors before the conclusion of their terms of office;
- (v) maintain a tenure policy for directors and for the role of Chairman of the Board;

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- (vi) be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board and Committee vacancies as and when they arise, leading the process for appointments. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths;
- (vii) review annually the time commitment required from the directors, taking care that directors and appointees have enough time available to devote to the position;
- (viii) ensure that, on appointment to the Board, directors receive a formal letter of appointment setting out clearly what is expected of them, including time commitment, Committee service and any involvement outside Board and Committee meetings;
- (ix) review training requirements and to develop training arrangements accordingly;
- (x) carry out an annual performance evaluation of the Board as a whole, its committees and of the individual directors; and
- (xi) review and propose any changes to the fees of the directors of the Company.

5. Reporting Responsibilities

- (i) The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties.
- (ii) The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- (iii) The Committee shall make a statement in the annual report about its activities, including:
 - a description of the work of the Committee;
 - the process for appointments, its approach to succession planning and how both support and develop a diverse pipeline; and
 - how the board evaluation has been conducted, the nature and extent of an external evaluator’s contract with the board and individual directors, the outcomes and actions taken, and how it has or will influence board composition.