THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC

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 Committee Chair. The Chair 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. The quorum for meetings is any two members of the Committee, whether attending in person or by electronic means, and all such members count towards the quorum. The Chair of the Board shall not act as Chair of the Committee when it is dealing with the appointment of his or her successor or considering changes to the Chair's fees.

2. Conduct of meetings

Meetings shall be held at least once a year, normally shortly before the Company's year end, with additional meetings convened as necessary. 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 Chair of the Committee shall attend the Annual General Meeting of the Company and be available to respond to questions about the Committee's work.

3. Authority

The Committee is authorised by the Board 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, at the Company's expense.

4. Duties

The Committee shall:

(i) review regularly the performance, structure, size and composition of the Board and its committees (including the directors' skills, knowledge, diversity and experience) and make recommendations to the Board as to any required changes;

(ii) review the balance of skills, knowledge and experience on the Board and 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 review, prepare a description of the role and capabilities required for a particular appointment;

(iv) review and make recommendations to the Board on the re-election of directors;

(v) maintain a tenure policy for directors, including for the role of Chair of the Board, to balance continuity with progressive refreshment, in line with best practice for externally managed investment companies;

(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, and ensuring that open advertising and/or an external search consultancy is generally used for the appointment of the Board Chair and non-executive directors. Both appointments and succession plans should be based on merit and objective criteria (which protect against discrimination for those with protected characteristics within the meaning of the Equality Act 2010). They should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, inclusion and equal opportunity;

(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 directors' training requirements and to develop training arrangements accordingly;

(x) carry out a formal and rigorous annual effectiveness review of the Board as a whole, its committees and of the individual directors, ensuring that the Board's performance review is externally facilitated on a regular basis (with FTSE 350 companies expected to have an external evaluation at least every three years);

(xi) review and propose any changes to the fees of the directors of the Company; and

(xii) ensure that any actual or potential conflicts of interest affecting existing or prospective directors are fully considered and appropriately managed so that independent judgement is not compromised.

5. Reporting responsibilities

(i) The Committee Chair 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 any external evaluator's contact with the Board and individual directors, the outcomes and actions taken, and how it has or will influence Board composition; and
- the policy and any initiatives on diversity and inclusion, their objectives and connection to the Company's strategy, how they have been implemented and progress on achieving the objectives.