



# abrdn plc

## Board Charter Part 3

Terms of Reference of the Board Committees

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The abrdn plc Board has established the following permanent Board Committees and the Terms of Reference of these Committees are contained within this document.

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## **Audit Committee**

### **Constitution and Terms of Reference**

#### **1. Membership**

- 1.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination and Governance Committee in consultation with the Chair. The Committee shall be made up of at least three members.
- 1.2 All members of the Committee shall be Non-Executive Directors who are determined by the Board to be independent and who collectively are considered by the Board to have recent and relevant financial experience, relevant to the sector, and competence in audit. A member of the Risk and Capital Committee will be a member of the Committee. The Chair of the Board will not be a member of the Committee.
- 1.3 Only members of the Committee and the Secretary have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer, the Chief Internal Audit Officer, and representatives from Group and subsidiary company finance, risk and compliance functions may be invited to attend all or part of any meeting as and when appropriate. The Committee may co-opt any Non-Executive Director satisfying the requirements for membership to join the Committee for a meeting or any longer period. The Secretary shall inform the Board when any such co-option has taken place.
- 1.4 The engagement partner from the external auditors will be invited to attend meetings of the Committee on a regular basis.
- 1.5 Appointments to the Committee shall be for a period of up to three years, which may be extended for two additional three-year periods, provided the Non-Executive Director remains independent, as determined by the Board, throughout the period of appointment.
- 1.6 The Board shall appoint the Chair. In the absence of the Chair, the remaining members of the Committee present shall elect one of themselves to chair the meeting.

#### **2. Secretary**

- 2.1 The Company Secretary or their nominee shall act as the Secretary.

#### **3. Quorum**

- 3.1. The quorum necessary for the transaction of business shall be two members, at least one of whom has recent relevant financial experience and/or competence in audit.

#### **4. Frequency of Meetings**

- 4.1 The Committee shall meet at least four times a year at appropriate times in the financial reporting and audit cycle and otherwise as required. Outside of the formal meeting programme, the Chair will maintain a dialogue with key individuals involved in financial reporting, including the Chair of the board, the Chief Executive Officer, the Chief Financial Officer, the external audit lead partner and the Chief Internal Audit Officer.

#### **5. Notice of Meetings**

- 5.1 Meetings of the Committee shall be arranged by the Secretary at the request of any of its members or at the request of the external or internal auditors.
- 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 and any other person required to attend. 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 meetings of the Committee, including recording the names of those present and in attendance.
- 6.2 Minutes of Committee meetings shall be circulated as soon as practicable to all members of the Committee and to all members of the Board.

#### **7. Annual General Meeting**

- 7.1 The Chair shall attend the Annual General Meeting of the Company prepared to respond to any questions on the Committee's activities.

#### **8. Duties**

The Committee shall carry out the duties below for the Company and the Group.

##### **8.1. Financial Reporting**

- 8.1.1 In respect of the Company and the Group the Committee shall review and recommend to the Board for approval:
  - 8.1.1.1 the draft financial statements, highlighting significant financial reporting issues and judgements which they contain, of the Company and the Group. These financial statements shall include annual and half-yearly reports and any other formal announcements relating to financial performance;

- 8.1.1.2 Strategic Report and financial highlights; and
  - 8.1.1.3 any other financial or quantitative information contained in documents which require Board approval, in particular ESG financial disclosures.
- 8.1.2 In carrying out its duties noted in 8.1.1, the Committee shall review and challenge where necessary and report to the Board on the results of its review of:
- 8.1.2.1 the consistency of, and any changes to, accounting policies both on a year on year basis and across the Group;
  - 8.1.2.2 the methods used to account for significant or unusual transactions where different approaches are possible;
  - 8.1.2.3 whether the Group has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
  - 8.1.2.4 the clarity and completeness of disclosure in the Group's financial reports and the context in which statements are made;
  - 8.1.2.5 all material information presented with the financial statements, such as the strategic report and the corporate governance statement (insofar as it relates to audit and risk management);
  - 8.1.2.6 whether the information presented is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy; and
  - 8.1.2.7 the risks to the quality and effectiveness of the financial reporting process.

## **8.2. Regulatory Reporting**

The Committee shall:

- 8.2.1 review and recommend to the Board for approval:
  - 8.2.1.1 the IFPR capital position and related messaging, as disclosed in the Annual Report & Accounts and the Half Yearly Report.
- 8.2.2 for each relevant Group Company which does not have an audit or risk committee to carry out this duty, review the key assumptions, valuation methodology and validation process and reports used for Interim and Annual Regulatory Returns and shall raise with or make recommendations to the abrdn plc Board concerning any significant matters arising from such review.
- 8.2.3 for each relevant Group Company which has an audit or risk committee to carry out this duty, receive assurance from those audit or risk committees that it has carried out an equivalent review, and no issues have arisen to be escalated to the Committee which have not been disclosed.

## **8.3. Internal Controls over Financial Reporting, Going Concern and Viability**

The Committee shall:

- 8.3.1 keep under review the adequacy and effectiveness of the Group's internal controls over financial reporting, by:
  - 8.3.1.1 when available, receiving the UK SoX attestations for each financial reporting cycle;
  - 8.3.1.2 receiving regular reports from the Chief Internal Audit Officer giving an assessment of the Group's internal controls over financial reporting environment;
  - 8.3.1.3 receiving regular internal financial reporting control summary reports from the external auditors;
  - 8.3.1.4 receiving regular reports on material financial control related matters arising from Client Assets (CASS) activity; and
  - 8.3.1.5 receiving an annual report on fraud risk with regard to the preparation of the financial statements.
- 8.3.2 review and recommend to the Board for approval the statements to be included in the Annual Report & Accounts concerning the annual review of internal controls, going concern and the viability statement.

## **8.4. Whistleblowing**

The Committee shall review the adequacy and security of the Group's arrangements for its Workforce to raise concerns, in confidence, about possible impropriety in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action. The Chair shall report all relevant matters arising from these arrangements to the Board and, if required, a subset of the Board in the event that the concerns relate to a Director.

## **8.5. Internal Audit**

The Committee shall:

- 8.5.1 monitor and review the effectiveness of the Group's internal audit function;
- 8.5.2 approve the appointment and termination of appointment of the Chief Internal Audit Officer and review the process and the results of the assessment of their performance and remuneration;
- 8.5.3 consider and approve the remit of the Group internal audit function and ensure it has:
  - 8.5.3.1 adequate resources;

- 8.5.3.2 unrestricted scope and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards; and
- 8.5.3.3 adequate standing and freedom from management or other restrictions;
- 8.5.4 review and assess the annual internal audit plan and the internal audit charter;
- 8.5.5 receive a report on the results of the work of the Group's internal audit function on a periodic basis;
- 8.5.6 review and monitor management's responsiveness to the findings and recommendations of the Group's internal audit function;
- 8.5.7 meet the Chief Internal Audit Officer periodically, without management being present, to discuss its remit, their remit, and any issues arising from the internal audits which have been carried out. In addition, the Chief Internal Audit Officer shall have direct access to the Chair of the Board and to the Committee; and
- 8.5.8 monitor and review the liaison and co-ordination of work between the internal and external auditors.

## **8.6. External Audit**

The Committee shall:

- 8.6.1 consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the Company's external auditor. The Committee is responsible for the timetable for the tendering of the external audit contract, the tender and selection process for a new auditor and if an auditor resigns, the Committee shall investigate the issues leading to this and decide whether any action, including a report to regulators is required;
- 8.6.2 oversee the relationship with the external auditor including (but not limited to):
  - 8.6.2.1 approval of the remuneration of the external auditor, whether fees for audit or non-audit services, and satisfying itself that the level of fees is appropriate to enable an adequate audit to be conducted;
  - 8.6.2.2 approval of the terms of engagement of the external auditor, including any engagement letter issued at the start of each audit and the scope of the audit;
  - 8.6.2.3 assessing annually the independence and objectivity of the external auditor taking into account relevant professional and regulatory requirements and the relationship with the external auditor as a whole, including the provision of, and level of fees for, any non audit services;
  - 8.6.2.4 satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Group (other than in the ordinary course of business);
  - 8.6.2.5 agreeing with the Board a policy on the employment of former employees of the external auditor, then monitoring the implementation of this policy;
  - 8.6.2.6 monitoring the external auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Group compared to the overall fee income of the firm, office and partner and other related requirements;
  - 8.6.2.7 assessing annually the qualifications, expertise and resources of the external auditor and the effectiveness of the audit process, including a report from the external auditor on its own internal quality procedures; and
  - 8.6.2.8 reviewing the market reputation of the external auditor, reports on audit quality assessed by the firm's regulator, the incidence of regulatory fines and litigation penalties and the adequacy of the firm's capital and insurance cover, assessing annually the risk of the withdrawal of the auditor from the market, and report to the Board on the results of these oversight processes.
- 8.6.3 meet regularly with the external auditor, including:
  - 8.6.3.1 once at the planning stage before the audit and once after the audit at the reporting stage; and
  - 8.6.3.2 once, without management being present, to discuss its remit, the external auditor's remit, and any issues arising from the audit;
- 8.6.4 review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement;
- 8.6.5 review the findings of the audit with the external auditor, including:
  - 8.6.5.1 a discussion of any major issues which arose during the audit;
  - 8.6.5.2 any accounting and audit judgements; and
  - 8.6.5.3 levels of errors identified during the audit;
- 8.6.6 review any representation letter(s) requested by the external auditor before they are signed by management;
- 8.6.7 review the external auditor's management letter and management's response to the findings and recommendations contained in the external auditor's management letter;
- 8.6.8 approve and review the implementation of the agreed policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter;
- 8.6.9 ensure co-ordination where more than one firm of auditors is involved; and
- 8.6.10 review the effectiveness of the audit process, including the incidence of unbudgeted time commitment, and report the results of this review to the Board.

## **8.7. Reporting Responsibilities**

- 8.7.1 The Chair shall report formally to the Board on all matters which fall within the Committee's remit including on how the Committee has discharged its responsibilities.
- 8.7.2 The Committee shall compile a report to members of the Company on its activities in discharging its responsibilities, to be included in the Company's Annual Report & Accounts.

## **8.8. Other Matters**

The Committee shall:

- 8.8.1 receive reports on material pending legal actions and progress on open litigations;
- 8.8.2 receive reports, by exception, on the Group's ongoing compliance with the requirements of the UK Listing Authority's Listing and Disclosure Rules;
- 8.8.3 be provided by the Company with sufficient resources in order to carry out its duties;
- 8.8.4 be provided by the Company with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 8.8.5 at least once a year, review its own performance, constitution and terms of reference to ensure it operates effectively and recommend any changes it considers necessary to the Board for approval.

## **9. Authority**

The Committee is authorised by the Board:

- 9.1 to seek any information it requires from any employee or director of the Group in order to perform its duties;
- 9.2 to obtain, at the Group's expense, external legal or other professional advice on any matter falling within its terms of reference;
- 9.3 to call on any employee to attend a meeting of the Committee as and when required; and
- 9.4 to report in the Annual Report & Accounts any disagreement between the Committee and the Board which cannot be resolved;
- 9.5 to provide advice to the Remuneration Committee on an arm's length basis when it is considering performance assessment and performance objectives set out in the context of incentive packages set out in the Annual Report & Accounts; in particular, the Committee will analyse the way financial performance has been presented, together with the calculation of financial and other performance measures that influence variable incentive compensation and report the results of this analysis to the Remuneration Committee for its consideration. When appropriate and in conjunction with the Remuneration Committee, the Audit Committee should review and agree appropriate adjustments to reported performance for the purposes of incentive compensation calculations. Where these committees do not agree, appropriate adjustments should be decided by the Chair of the Board and all the Non-Executive Directors on the Board;
- 9.6 to provide advice to the Risk and Capital and Remuneration Committees on an arm's length basis whenever appropriate in the context of the Group's malus and clawback procedures.

## **10. Relationship with the Audit Committees of the Group Companies**

Where the Boards of Group companies have established audit committees, the Committee shall:

- 10.1 review the terms of reference;
- 10.2 review key matters from the minutes of the meetings of the audit committees; and
- 10.3 receive and review reports on any other matters the chairs wish to bring to the attention of the Committee.

The Chair is authorised to attend any meetings Group company audit committees and shall meet with the Chair of the Risk and Capital Committee formally at least once a year to review coverage.

## **Definitions**

<b>"AGM"</b>	The Annual General Meeting of the Company
<b>"Board"</b>	The Board of Directors of the Company
<b>"Chair"</b>	The Chair of the Committee
<b>"Committee"</b>	The Audit Committee of the Company
<b>"Company"</b>	abrdn plc
<b>"Company Secretary"</b>	The Company Secretary of the Company
<b>"Group"</b>	The Company and its subsidiaries
<b>"Group Company"</b>	Any company within the Group
<b>"IFPR"</b>	Investment Firms Prudential Regime

<b>“LTIP”</b>	The Long-Term Incentive Plan of the Company
<b>“MLRO”</b>	The Money Laundering Reporting Officer of the Company
<b>“Nomination and Governance Committee”</b>	The Nomination and Governance Committee of the Company
<b>“Non-Executive Director”</b>	A Non-Executive Director of the Company
<b>“Remuneration Committee”</b>	The Remuneration Committee of the Company
<b>“Risk and Capital Committee”</b>	The Risk and Capital Committee of the Company
<b>“Secretary”</b>	The Secretary of the Committee
<b>“STIP”</b>	The Short-Term Incentive Plan of the Company
<b>“Workforce”</b>	Employees and other workers (agency workers and contractors) engaged by any Group Company

## **Risk and Capital Committee**

### **Constitution and Terms of Reference**

#### **1. Membership**

- 1.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination and Governance Committee in consultation with the Chair. The Committee shall be made up of at least three members.
- 1.2 All members of the Committee shall be Non-Executive Directors who are determined by the Board to be independent. A member of the Audit Committee will be a member of the Committee. The Chair of the Board will not be a member of the Committee.
- 1.3 Subject to paragraph 1.4, only members of the Committee, the Chair of the Board, any other Board Director, the Chief Risk Officer and the Secretary have the right to attend Committee meetings. However, other individuals including the Chief Internal Audit Officer and the engagement partner from the external auditors will be invited to attend all or any part of any meeting as and when considered appropriate by the Committee. The Committee may co-opt any Director satisfying the requirements for membership to join the Committee for a meeting or any longer period. The Secretary shall inform the Board when any such co-option has taken place.
- 1.4 Appointments of Non-Executive Directors to the Committee shall be for a period of up to three years, which may be extended for two additional three-year periods, provided the relevant Non-Executive Director remains independent, as determined by the Board, throughout the period of appointment.
- 1.5 The Board shall appoint the Chair. In the absence of the Chair at any meeting, the remaining members of the Committee present shall elect one of themselves to chair the meeting.

#### **2. Secretary**

- 2.1 The Company Secretary or their nominee shall act as the Secretary.

#### **3. Quorum**

- 3.1. The quorum necessary for the transaction of business shall be two members.

#### **4. Frequency of Meetings**

- 4.1 The Committee shall meet at least four times a year at appropriate times in the reporting cycle and otherwise as required by the Board or the Committee.

#### **5. Notice of Meetings**

- 5.1 Meetings of the Committee shall be arranged by the Secretary at the request of any of its members or at the request of the Chief Risk Officer if they consider it necessary.
- 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 sent to each member of the Committee and any other person required or entitled to attend. 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 meetings of the Committee, including recording the names of those present and in attendance.
- 6.2 Minutes of Committee meetings shall be circulated as soon as practicable to all members of the Committee and to all members of the Board.

#### **7. Annual General Meeting**

- 7.1 The Chair shall attend the Annual General Meeting of the Company prepared to respond to any questions on the Committee's activities.



## 8. Role and Duties

The role of the Committee is to provide oversight and challenge of and advice to the Board, and, where appropriate, the board of each Group Company on:

- the Group or Company's current risk strategy, material risk exposures and future risk strategy and their impact on adequate levels and allocation of capital;
- the structure and implementation of the Group or Company's Enterprise Risk Management framework and its suitability to react to forward-looking issues and the changing nature of risks;
- changes to the risk appetite framework and quantitative risk limits; and
- the risk aspects of major investments, major product developments and other corporate transactions.

The Committee shall carry out the duties below for the Company, each Group Company, and the Group as a whole, as appropriate.

### 8.1 Risk Exposures and Risk Strategy

The Committee shall keep under review:

- 8.1.1 the Group's current overall strategic and commercial priorities in a risk management context;
- 8.1.2 the external environment including external financial stability assessments, non-financial ESG risk reporting obligations, and other authoritative sources relevant to the Group's risk exposures and risk strategy and their impact on capital;
- 8.1.3 the risks inherent in the Group's proposed strategy, plans and budgets, their impact on capital and dividend paying capacity and their behaviour under stress;
- 8.1.4 the Group's risk appetite framework including quantitative risk limits and material risk exposures arising within the framework, ensuring the adequacy of actions proposed to remedy any breaches of quantitative risk limits and any consequent impact on capital;
- 8.1.5 the due diligence risk assessments undertaken when the Company or any Group Company is considering a material proposed strategic transaction (including acquisitions or disposals);
- 8.1.6 the Group's stress and scenario testing programme, including steering its design and challenging the results obtained from the testing in terms of impact on capital and the Group's business plans;
- 8.1.7 any material risk (including conduct and reputational risk) and capital implications of product pricing principles or major product developments within any Group Company including where any proposed product contractual terms present guarantee/indemnity/security like characteristics;
- 8.1.8 significant changes to the investment strategy of the Company or any Group Company;
- 8.1.9 specific risk adjustments to be considered by the Remuneration Committee when setting performance objectives and assessing performance, including potential malus and clawback in the context of incentive packages;
- 8.1.10 without prejudice to the duties of the Remuneration Committee, consider whether incentives provided by the remuneration systems applicable to IFPR companies in the Group which do not have their own risk committees take into consideration risk, capital, liquidity and the likelihood and timing of earnings;
- 8.1.11 the Group Internal Capital and Risk Assessment document including the key assumptions underlying the document and steering how the assessment is to be performed and challenging the results;
- 8.1.12 any other relevant matter referred to it by the Board or by the board of directors of any Group Company from time to time; and shall raise with or make recommendations to the Board, any committee of the Board or to the Board of any Group Company (as applicable) on any significant matters arising from such review.

### 8.2 Enterprise Risk Management Framework

The Committee shall review:

- 8.2.1 the structure of the Group's ERM Framework (ERMF) and its suitability to identify, assess and manage current and new risk types and react to forward-looking risk issues and the changing nature of risks;
- 8.2.2 the initiatives to strengthen risk awareness culture across the Group;
- 8.2.3 the implementation of the ERMF, including but not limited to, receiving regular reports from the Chief Risk Officer including:
  - 8.2.3.1 a summary of compliance with risk policies and the results of risk control self-assessment and other risk control processes (including significant breaches of risk appetites and proposed resulting remedial actions);
  - 8.2.3.2 a categorised dashboard summary of key risks;
  - 8.2.3.3 a consolidated report on key conduct risk indicators and conduct risk outcomes;
  - 8.2.3.4 an assessment of the Chief Internal Audit Officer's view of the internal control environment as it relates to the management of risk and capital;
  - 8.2.3.5 the relevant Internal Control Reports prepared by the external auditors;
  - 8.2.3.6 rotational reports from each Vector CEO (and a collective Group Functions review) covering:
    - first-line vector-specific view of conduct, compliance and control issues;

- results of vector-specific second line monitoring and oversight reporting;
- results of vector-specific third line assurance reporting; and

8.2.3.7 regular reporting on compliance with the operational resilience framework

and shall raise with or make recommendations to the Board and/or the Audit Committee on any significant matters arising from such review.

### **Money Laundering and Financial Crime, Prevention of Bribery and Fraud**

The Committee shall:

- 8.2.4 receive and review regular reports on compliance with the relevant Anti-Financial Crime and International Sanctions standards;
- 8.2.5 receive and review regular reports on the Group's arrangements for the detection and management of financial crime risk; and
- 8.2.6 receive and review an annual MLRO report which assesses the operation and effectiveness of the Group's systems and controls in relation to managing money laundering risk.

### **8.3 Regulatory Compliance and Regulatory Reporting**

The Committee shall in respect of the Company and the Group Companies:

- 8.3.1 review and assess the plans of the Risk and Compliance function for performing compliance monitoring and reviews;
- 8.3.2 receive regular reports from the Chief Risk Officer including a summary of the regulatory compliance activities completed by the Risk and Compliance function during the period;
- 8.3.3 where appropriate, request the Chief Risk Officer to notify the PRA and FCA of any material internal control weaknesses or other issues;
- 8.3.4 review the key assumptions and bases that underlie the Internal Capital Adequacy Assessment Process of the Group or any Group Company;
- 8.3.5 review any other major regulatory submissions involving capital (including stress test submissions) that relate to the Company, any Group Company or the Group;

and shall raise with or make recommendations to the Board (or, if appropriate, any committee of the Board or Group Company) concerning any significant matters arising from such review.

## **9. Reporting Responsibilities**

- 9.1 The Chair shall report formally to the Board on all matters which fall within the Committee's remit.
- 9.2 The Committee shall compile a report, to be included in the Company's Annual Report & Accounts, to members of the Company on:
  - principal and emerging potential risks facing the business and the stress testing programme;
  - how risk is managed in the business, and
  - the responsibilities, members and activities of the Committee.
- 9.3 The Chief Risk Officer shall have a direct access to the Chair, the members of the Committee and the Chair of the Board.

## **10. Other Matters**

The Committee shall:

- 10.1 be provided by the Company with sufficient resources in order to carry out its duties;
- 10.2 be provided by the Company with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 10.3 at least once a year, review its own performance, constitution and terms of reference to ensure it operates effectively and recommend any changes it considers necessary to the Board for approval;
- 10.4 consider and approve the remit and effectiveness of the Risk and Compliance function, ensuring it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with relevant professional standards and that it has adequate independence and is free from management or other restrictions;
- 10.5 review the risk and capital narrative disclosures in the draft Annual Report & Accounts and Half Yearly Report;
- 10.6 recommend to the Board the appointment and/or removal of the Chief Risk Officer, meet the Chief Risk Officer periodically, without management being present, to discuss his remit, and any issues arising from his work;
- 10.7 at least once a year review the adequacy of arrangements in place to monitor and manage conflicts of interest within the Group Companies and any significant matters arising from such activities; and
- 10.8 request and review such other reporting on conflicts of interest as it may consider appropriate from time to time.

## **11. Authority**

The Committee is authorised by the Board:

- 11.1 to seek any information it requires from any employee or director of the Group in order to perform its duties;

- 11.2 to obtain, at the Group's expense, and draw on, external legal, actuarial, risk management or other professional advice on any matter falling within its terms of reference to support the quality of its decision-making;
- 11.3 to call on any employee to attend a meeting of the Committee as and when required;
- 11.4 to provide advice to the Remuneration Committee on an arm's length basis whenever appropriate including when it is considering performance assessment and performance objectives set in the context of incentive packages; in particular, the Committee will analyse the financial performance to confirm that the result has been achieved in a manner that is consistent with the Group's risk strategy, appetite and tolerance, and capital position and report the results of this analysis to the Remuneration Committee. In the event of any difference of view between the Remuneration Committee and the Committee, appropriate risk adjustments should be decided by the Chair of the Board and all the Non-Executive Directors on the Board.

## 12. Relationship with other committees

12.1 For the boards of abrdrn Investments Limited (aIL) and abrdrn Investment Management Limited (aIML), for which a waiver to establish a risk committee at those entities has been obtained, the Committee advises the aIL and aIML boards on aIL and aIML's overall current and future risk appetite and strategy, and assists the aIL and aIML boards in overseeing the implementation of that strategy by senior management. In particular the Committee:

- provides advice to the aIL and aIML boards on risk strategy, including the oversight of the current risk exposures of aIL and aIML, with particular, but not exclusive, emphasis on prudential risks;
- develops proposals for consideration by the aIL and aIML boards in respect of overall risk appetite and tolerance, as well as the metrics to be used to monitor aIL and aIML's risk management performance;
- oversees and challenges the design and execution of stress and scenario testing;
- oversees and challenges the day-to-day risk management and the executive's oversight arrangements;
- oversees and challenges due diligence on risk issues relating to material transactions and strategic proposals that are subject to approval by the aIL and aIML boards;
- provides advice to the aIL and aIML remuneration committees (a role fulfilled by the abrdrn plc Remuneration Committee), as appropriate, in relation to the development, implementation and review of remuneration policies and practices that are consistent with, and promote, effective risk management;
- provides advice, oversight and challenge necessary to embed and maintain a supportive risk culture throughout aIL and aIML;
- without prejudice to the tasks of the Remuneration Committee, examines whether incentives provided by the remuneration system take into consideration risk, capital, liquidity and the likelihood and timing of earnings.

The Committee shall in respect of the risk committees of the Group Companies which have established risk committees:

- 12.1 review the terms of reference for those committees;
- 12.2 receive and review:
  - 12.2.1 the minutes of the meetings of those committees;
  - 12.2.2 reports on any other matters the chairs of those committees wish to bring to the attention of the Committee; and
- 12.3 where appropriate, raise with the chair of the relevant committee any significant risk concerns regarding the Group that the Committee considers should be brought to the attention of the risk committees of one or more of the Group Companies.

The Chair is authorised to attend any meetings of the risk committees of the Group Companies.

The Chair shall meet the Chair of the Audit Committee formally at least once a year to review coverage.

## 13. Extent of Authority

- 13.1 The Committee's authority does not replace (or supersede) the individual statutory and regulatory responsibilities of the directors of the regulated entities within the Group.

## Definitions

<b>"Audit Committee"</b>	The Audit Committee of the Company
<b>"Board"</b>	The Board of Directors of the Company
<b>"Chair"</b>	The Chair of the Committee
<b>"Committee"</b>	The Risk and Capital Committee of the Company
<b>"Company"</b>	abrdrn plc
<b>"Company Secretary"</b>	The Company Secretary of the Company
<b>"ERM Framework (ERMF)"</b>	The Enterprise Risk Management Framework of the Group
<b>"FCA"</b>	The Financial Conduct Authority

<b>“Group”</b>	The Company and its subsidiaries
<b>“Group Company”</b>	Any company within the Group
<b>“ICARA”</b>	The Internal Capital and Risk Assessment
<b>“LTIP”</b>	The Long-Term Incentive Plan of the Company
<b>“Nomination and Governance Committee”</b>	The Nomination and Governance Committee of the Company
<b>“Non-Executive Director”</b>	A Non-Executive Director of the Company
<b>“PRA”</b>	The Prudential Regulation Authority
<b>“Remuneration Committee”</b>	The Remuneration Committee of the Company
<b>“Secretary”</b>	The Secretary of the Committee

## Remuneration Committee

### Constitution and Terms of Reference

#### 1. Membership

- 1.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination and Governance Committee in consultation with the Chair. The Committee shall be made up of at least three Non-Executive Directors, all of whom are determined by the Board to be independent.
- 1.2 Only members of the Committee and the Secretary have the right to attend Committee meetings. However, other individuals, such as the Chief People Officer, the Chief Executive Officer and the Chief Financial Officer, may be invited to attend all or part of any meeting as and when appropriate. No person invited by the Committee to attend any of its meetings shall remain present when his or her own remuneration is being considered. The Committee may co-opt any Non-Executive Director satisfying the requirements for membership to join the Committee for a meeting or any longer period. The Secretary shall inform the Board when any such co-option has taken place.
- 1.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided that the Non-Executive Director remains independent, as determined by the Board.
- 1.4 The Board shall appoint the Chair who shall be a Non-Executive Director, determined by the Board to be independent and who has served on a remuneration committee before the time of appointment for at least 12 months. In the absence of the Chair, the remaining members of the Committee present shall elect one of themselves to chair the meeting. The Chair of the Board shall not be Chair of the Committee.

#### 2. Secretary

- 2.1 The Committee will appoint a Secretary who is a remuneration specialist, in agreement with the Company Secretary.

#### 3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be two members, both of whom must be Non-Executive Directors, determined by the Board to be independent.

#### 4. Frequency of Meetings

- 4.1 The Committee shall meet at least four times a year and otherwise as required.

#### 5. Notice of Meetings

- 5.1 Meetings of the Committee shall be arranged by the Secretary at the request of any of its members.
- 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 and any other person required to attend. 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 meetings of the Committee, including recording the names of those present and in attendance.
- 6.2 Minutes of Committee meetings shall be circulated as soon as practicable to all members of the Committee and to all members of the Board, unless a conflict of interest arises.

#### 7. Annual General Meeting

- 7.1 The Chair shall attend the Annual General Meeting of the Company and will answer any questions on the Committee's activities.

#### 8. Duties

The Committee shall:

- 8.1 keep under review, and make recommendations to the Board, and to the boards of other relevant Group Companies, in respect of the over-arching Group-wide Workforce remuneration principles and policy (including the remuneration principles for all incentives including executive incentives, sales incentives, carried interest plans, co-investment plans and performance fee sharing plans), and changes to them, as contained in the People Policy. When reviewing and approving the principles and policy, the Committee has regard to the alignment of remuneration with the Group's culture, the Risk Appetite Framework, including any related quantitative risk limits, and the Group's long-term strategic goals, gender and other protected characteristics neutrality, clarity and transparency, simplicity of understanding, predictability and proportionality, and structures remuneration to link rewards to individual performance and promote the long-term sustainable success of the Group. The Committee shall exercise independent judgement and discretion to override formulaic outcomes when authorising remuneration outcomes, taking account of company and individual performance, the Company's financial position, stakeholder interests and wider circumstances;

8.2 approve the design of, and targets for, and any material changes to, any employee share plan (or equivalent cash-based scheme) operated by any Group Company including the granting of all individual share awards, as well as determining the vesting level of all awards granted under such schemes; in so doing, the Committee will undertake an annual review of performance versus the scorecard measures at the end of each performance period and must also be satisfied that the achievement against targets (including any underpin targets) is an appropriate reflection of the underlying performance of the Group. Where necessary, the Committee will agree adjustments to target levels to allow for the impact of supervening events, provided always that any such adjusted targets should be no less challenging to achieve than their predecessors viewed from the perspective of the point at which they were originally set. In addition, the Committee will exercise its judgement to adjust the vesting awards downwards (to zero, if necessary) if it deems that the Group's results have been achieved in a manner not consistent with the delivery of the Company's business and shareholder strategy, risk appetite or that jeopardises the Company's brand.

The requirement for the Committee to approve any individual share awards is waived when:

- the share award is part of a severance payment and is required by regulation for retention or deferral purposes; or
- the share award is part of a buyout arrangement for a new hire appointment which does not require Committee approval under 8.9 below, where such a buyout is required by regulation to align to the terms of an award sacrificed by the new hire on leaving their previous role; or
- the share award is below £150,000 and has been approved under delegated responsibility covered by 8.13 below;

the Committee can reduce awards that have not yet vested and can require the repayment of an award under the malus and clawback provisions. In making its decision on the application of malus and clawback, the Committee will take into account (amongst other policy requirements) the Remuneration Consequence Management Framework for individuals whose pay determination is within the remit of the Committee (under 8.4 below). Application of the Remuneration Consequence Framework for other employees is delegated to the Compensation Committee in line with the Compensation Committee delegated authority;

- 8.3 approve all new carried interest plans and carried interest plan reallocations, co-investment plans, performance fee sharing plans and sales incentives (including roles and responsibilities). Approval of carried interest plans and carried interest plan reallocations that adhere to the carried interest design parameters are delegated to the Chair, with follow-up reporting to the next Committee meeting;
- 8.4 approve the funding level, bonus pool size, design of, and targets for, and any material changes to all annual cash bonus plans in which the i) Executive Leadership Team, ii) employees with a total compensation of at least £750,000 and iii) Code Staff/Material Risk Taker (MRT) population (as determined by regulation and in line with the Committee's annually approved principles for identifying Code Staff/MRTs) participate, as well as determining (with appropriate input from the Risk and Capital Committee, Audit and Compensation Committees) the level of payments to be made;
- 8.5 review any major changes in employee incentive structures for all Group employees who are not covered by 8.4 above and agree the guidelines to which all incentive plans should operate in line with the Group's culture;
- 8.6 oversee remuneration trends, including diversity pay data, and any major changes in employee benefits structures (including pensions) throughout the Group, ensure that these align with the Group's culture, and recommend any changes to the Board;
- 8.7 determine and agree the general terms and conditions of service contracts (including pension terms and employee share and cash bonus plans) for the i) Executive Directors, ii) other members of the Executive Leadership Team, and iii) employees with a total compensation of £750,000 or more, ensuring that compensation commitments are not structured to reward failure, and be made aware of any material divergence from the remuneration principles and policy which could lead to a higher payment being made to any other Group employee;
- 8.8 approve all termination packages payable to i) Executive Directors, ii) other members of the Executive Leadership Team, iii) the Company Secretary, iv) the Group General Counsel, v) the Chief Risk Officer and vi) the Chief Internal Auditor. Approval of these termination packages is delegated to the Chair, with follow-up reporting to the next Committee meeting;
- 8.9 in consultation with the Chair and/or the Chief Executive Officer as appropriate except in such matters as affect their own personal positions, approve the total individual remuneration packages of i) the Chair of the Board and the Executive Directors, ii) other members of the Executive Leadership Team, iii) the Company Secretary, iv) the Group General Counsel, v) the Chief Risk Officer, vi) the Chief Internal Audit Officer and approve the remuneration package of any Group employee with a total compensation of at least £750,000 per annum (total compensation inclusive of guaranteed bonus) or any Group employee with a guaranteed bonus of £500,000 or more. Approval of new hire appointments is delegated to the Chair, with follow-up reporting to the next Committee meeting. Where Executive Directors or senior management are involved in advising or supporting the Committee, care will be taken to recognise and avoid conflicts of interest;
- 8.10 agree the policy for authorising claims for expenses from the Chair, the Executive Directors and the Non-Executive Directors, and monitor the levels of such expenses;
- 8.11 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- 8.12 determine the shareholding guidelines for the Chair of the Board, the Executive Directors and other participants as determined by the Committee and monitor compliance with them annually, including any formal policy for post-employment shareholding requirements;

- 8.13 approve the delegated responsibilities to the Compensation Committee as set out in its terms of reference;
- 8.14 approve the responsibilities of the Fitness and Propriety Panel to provide advice to the Committee on its activities as set out in its terms of reference;
- 8.15 review and approve the Group's Remuneration Policy Statement (RPS) and the Group's regulatory remuneration disclosures annually. Approval of the RPS and the Group's regulatory remuneration disclosures is delegated to the Chair, with follow-up reporting to the next Committee meeting; and
- 8.16 review and approve the maximum ratio between the variable component and the fixed component of the total remuneration for Investment Firms Prudential Regime (IFPR) and Investment Firms Regime (IFR) entities, no less frequently than every three years in line with the three-year Directors' Remuneration Policy cycle.

## **9. Reporting Responsibilities**

- 9.1 The Chair shall report formally to the Board on all matters which fall within the Committee's remit.
- 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, and adequate time should be available for Board discussion when necessary.
- 9.3 The Committee shall compile and approve on behalf of the Board a report to members of the Company on its activities and on the Company's remuneration policy and practices, to be included in the Company's Annual Report & Accounts and put to shareholders for approval at the AGM as necessary.
- 9.4 The Committee shall also ensure that provisions regarding disclosure of information as set out in The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and the UK Corporate Governance Code are fulfilled.

## **10. Other Matters**

The Committee shall:

- 10.1 be provided by the Company with sufficient resources in order to carry out its duties;
- 10.2 be provided by the Company with appropriate and timely training both in the form of an induction programme for new members and on an ongoing basis for all members;
- 10.3 at least once a year, review its own performance, constitution and terms of reference to ensure it operates effectively and recommend any changes it considers necessary to the Board for approval. No less frequently than every three years, the evaluation of the Committee's effectiveness will be carried out by an independent body recommended by the Board Chair;
- 10.4 ensure that any external professional advisors comply with the voluntary code of the Remuneration Consultants Group;
- 10.5 obtain, and take into account in the performance of its duties, reliable, up to date information about remuneration in other companies;
- 10.6 assess that there are effective safeguards in place to ensure that remuneration policies are clearly aligned with the regulatory and other legislative requirements that the Group is required to comply with; and
- 10.7 seek advice from the Audit Committee and Risk and Capital Committee, on an arm's length basis, whenever appropriate including when it is considering performance assessment and performance objectives set in the context of incentive packages, and within the context of the Group's risk profile and appetite; in the event of any difference of view between the Committee and the Risk and Capital Committee, appropriate risk adjustments should be decided by the Chair of the Board and all the Non-Executive Directors on the Board.

## **11. Authority**

The Committee is authorised by the Board:

- 11.1 to seek any information it requires from any Board Committee, Remuneration Committee of a Group Company, employee or director of the Group in order to perform its duties;
- 11.2 to obtain, at the Group's expense, external legal or other professional advice on any matter falling within its terms of reference; and
- 11.3 to call on any employee to attend a meeting of the Committee as and when required.

## **12. Relationship with the Remuneration Committees of Group Companies**

- 12.1 In relation to any Group Company where the requirement to establish a remuneration committee at the local entity level (to address regulatory requirements or other reasons) is deemed to be fulfilled by the Committee, the Committee shall report to the Board of the Group Company on any relevant matters, in particular that they have:
  - 12.1.1 exercised competent and independent judgement on remuneration policies and practices and the incentives created for managing risk, capital and liquidity;
  - 12.1.2 prepared decisions regarding remuneration, including decisions which have implications for the risk management of the Group Company and which are to be taken by the boards of the Group Company;
  - 12.1.3 when preparing such decisions, taken into account the public interest and the long-term interests of shareholders, investors and other stakeholders of the Group Company.

- 12.2 Where the Boards of any Group Company have established a remuneration committee (to address regulatory requirements or other reasons), the Committee shall:
- 12.2.1 review the terms of reference of the remuneration committee;
  - 12.2.2 receive and review the minutes of the meetings of the remuneration committee;
  - 12.2.3 receive and review reports on any other matters the chairs of the remuneration committee wish to bring to the attention of the Committee.

The Chair is authorised to attend any meetings of such remuneration committees.

## Definitions

<b>“Audit Committee”</b>	The Audit Committee of the Company
<b>“Board”</b>	The Board of Directors of the Company
<b>“Chair”</b>	The Chair of the Committee
<b>“Committee”</b>	The Remuneration Committee of the Company
<b>“Company”</b>	abrdn plc
<b>“Company Secretary”</b>	The Company Secretary of the Company
<b>“Compensation Committee”</b>	The Compensation Committee of the Company
<b>“Executive Director”</b>	An Executive Director of the Company
<b>“Executive Leadership Team”</b>	The direct reports of the Chief Executive Officer
<b>“Group”</b>	The Company and its subsidiaries
<b>“Group Company”</b>	Any company within the Group
<b>“Nomination and Governance Committee”</b>	The Nomination and Governance Committee of the Company
<b>“Non-Executive Director”</b>	A Non-Executive Director of the Company
<b>“Risk and Capital Committee”</b>	The Risk and Capital Committee of the Company
<b>“Secretary”</b>	The Secretary of the Committee
<b>“UK Corporate Governance Code”</b>	The UK Corporate Governance Code of the Financial Reporting Council
<b>“Workforce”</b>	Employees and other workers (agency workers and contractors) engaged by any Group Company



## Nomination and Governance Committee

### Constitution and Terms of Reference

#### 1. Membership

- 1.1 Members of the Committee shall be appointed by the Board, and shall be the Chair of the Board and at least three Non-Executive Directors, who are determined by the Board to be independent.
- 1.2 Only members of the Committee and the Secretary have the right to attend Committee meetings. However, the Chief Executive Officer, the Chief People Officer and other individuals may be invited to attend all or part of any meeting as and when appropriate. The Committee may co-opt any Non-Executive Director determined by the Board to be independent to join the Committee for a meeting or any longer period. The Secretary shall inform the Board when any such co-option has taken place.
- 1.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided that the majority of the Committee members remains independent, as determined by the Board.
- 1.4 The Board shall appoint the Chair who may be the Chair of the Board or a Non-Executive Director determined by the Board to be independent. In the absence of the Chair, the remaining members of the Committee present shall elect one of themselves to chair the meeting.
- 1.5 No member of the Committee shall be present when their own performance or re-appointment is being considered.

#### 2. Secretary

- 2.1 The Company Secretary, or a nominee of the Company Secretary approved by the Chair of the Committee, shall act as the Secretary.

#### 3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be two members, both of whom must be Non-Executive Directors, determined by the Board to be independent.

#### 4. Frequency of Meetings

- 4.1 The Committee shall meet at least twice a year and otherwise as required.

#### 5. Notice of Meetings

- 5.1 Meetings of the Committee shall be arranged by the Secretary at the request of any of its members.
- 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 and any other person required to attend. 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 meetings of the Committee, including recording the names of those present and in attendance.
- 6.2 Minutes of Committee meetings shall be circulated as soon as practicable to all members of the Committee and to all members of the Board, unless a conflict of interest exists.

#### 7. Annual General Meeting

- 7.1 The Chair shall attend the Annual General Meeting of the Company prepared to respond to any questions on the Committee's activities.

#### 8. Duties

##### 8.1 Nomination

The Committee shall:

- 8.1.1 keep under review the structure, size and composition of the Board having regard to the principles that:
  - the majority of Board members should be Non-Executive Directors;
  - appointments should be made on merit, against objective criteria and with due regard for the benefits of diversity and inclusion on the Board, including gender and ethnicity;
  - there should be an appropriate balance of skills, knowledge and experience on the Board;
  - the membership of the Board should be refreshed progressively;and make recommendations to the Board with regard to any changes
- 8.1.2 consider and make recommendations to the Board with regard to the short, medium and long-term contingency and succession planning for the Board, in particular the Chair, the Senior Independent Director and the Chief Executive Officer, and approve the succession plans for Senior Executives of the Group reporting to the Chief Executive Officer;

- 8.1.3 identify, and recommend for the approval of the Board, candidates to fill Board vacancies as and when they arise:
- using open advertising or the services of external advisers to facilitate the search;
  - by reference to a description of the role and capabilities and time commitment required for a particular appointment;
  - having considered fully any potential conflicts of interest, other significant time commitments and any additional future potential commitments; and
  - seeking to consider candidates from a wide range of backgrounds.
- 8.1.4 keep under review the Board's statement on diversity, including gender and ethnicity, any measurable objectives that the Board has set for implementing the statement, and progress on achieving the objectives;
- 8.1.5 approve, via authority delegated to the Chair and subsequently reported to the Committee, independent/external appointments to, and removals from, the Board of directors of Group Companies and as appropriate, subject to the approval of the relevant Group Company Board;
- 8.1.6 approve, via authority delegated to the Chair and subsequently reported to the Committee, the appointment of representative Directors to the Boards of Associate Companies, Investee entities, and Joint Ventures and as appropriate, subject to the approval of the relevant Group Company Board;
- 8.1.7 approve the appointment and removal of members of the Executive Leadership Team reporting directly to the Chief Executive Officer;
- 8.1.8 approve changes of (and changes to the status of) the employer-nominated trustees of all pension schemes, and note changes of employee-nominated trustees;
- 8.1.9 keep under review the leadership needs of the Group, both executive and non-executive and oversee the development of a diverse pipeline for succession;
- 8.1.10 review annually the time required from Non-Executive Directors;
- 8.1.11 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;
- 8.1.12 approve and review the implementation of:
- 8.1.12.1 processes for evaluating the effectiveness of the Board, the Chair, individual Directors and Board Committees and the progress to implement the identified actions;
- 8.1.13 make recommendations to the Board with regard to the appointment and removal of the Chair of the Board, the Deputy Chair of the Board (if appointed), the Senior Independent Director of the Board, the Non-Executive Directors of the Board, the Executive Directors of the Board, and the Chief Executive Officer;
- 8.1.14 make recommendations to the Board with regard to the appointment of Directors to Board Committees and with regard to the appointment of the chairs of Board Committees;
- 8.1.15 make recommendations to the Board with regard to the continued 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;
- 8.1.16 make recommendations to the Board with regard to the election or re-election by members of any Director;
- 8.1.17 make recommendations to the Board with regard to any matters relating to the continuation in office of any Director at any time;
- 8.1.18 make recommendations to the Board with regard to the appointment of any Director to executive or other office other than to the positions of Chair and Chief Executive Officer;
- 8.1.19 approve outside appointments of the Directors and make recommendations to the Board with regard to the authorisation of any actual or potential conflict of interest of any Director of the Company, and review regularly the authorised conflicts.

## **8.2 Governance**

The Committee shall:

- 8.2.1 review and make recommendations to the Board with regard to material changes to the Board Charter of the Company and approve non-material changes to the Charter;
- 8.2.2 approve changes to the Constitution of the Company, subject to shareholder approval as relevant and material changes to the board charters and to the constitutions of the Group Companies;
- 8.2.3 keep under review the Corporate Governance of the Group, having regard to:
- relevant regulatory requirements, including the responsibility map elements of the Senior Managers and Certification Regime (where applicable);
  - relevant legal requirements, including the Listing Rules and the Disclosure and Transparency Rules; and
  - relevant generally accepted corporate governance standards,
- and make recommendations to the Board regarding proposals for changes;
- 8.2.4 review the Group's overall compliance with the UK Corporate Governance Code and the related corporate governance disclosures made by Directors in the Company's Annual Report & Accounts;

8.2.5 assess and monitor the culture of the Group, and ensure that the purpose, values and strategy of the Group are aligned with that culture and that appropriate metrics are in place to allow the Committee to fulfil this duty.

## **9. Reporting Responsibilities**

9.1 The Chair shall report formally to the Board on all matters which fall within the Committee's remit.

9.2 The Committee shall compile a report to members of the Company on its activities, to be included in the Company's Annual Report & Accounts, including the process used to make appointments and explaining if external advice or open advertising has not been used.

## **10. Other Matters**

The Committee shall:

10.1 be provided by the Company with sufficient resources in order to carry out its duties;

10.2 be provided by the Company with appropriate and timely training; and

10.3 at least once a year, review its own performance, constitution and terms of reference to ensure it operates effectively and recommend any changes it considers necessary to the Board for approval.

## **11. Authority**

The Committee is authorised by the Board:

11.1 to seek any information it requires from any employee or Director of the Group in order to perform its duties;

11.2 to obtain, at the Group's expense, external legal or other professional advice on any matter falling within its terms of reference; and

11.3 to call on any employee to attend a meeting of the Committee as and when required.

## **12. Relationship with the Nomination (and Governance) Committees of Group Companies**

12.1 For the boards of Aberdeen Asset Managers Limited (AAML) and abrdn Investment Management Limited (aIML), for which a waiver to establish a nomination committee at those entities has been obtained, the Committee shall report to the boards of AAML and aIML that they have:

12.1.1 engaged a broad set of qualities and competences in identifying, and recommending for approval, candidates to fill board vacancies, having evaluated the balance of knowledge, skills, diversity and experience of the relevant board;

12.1.2 in respect of specific appointments, prepared a description of the roles and capabilities relevant to that appointment and assessed the time commitment required;

12.1.3 assessed, at least annually:

- the structure, size, composition and performance of the board and made recommendations to the relevant board with regard to any changes;
- the knowledge, skills and experience of individual directors of the board and reported to the relevant board on that assessment;
- the policies of the board for the appointment of senior executives and made recommendations to the relevant board based on that assessment; and
- that the AAML and aIML boards' decision-making has not been dominated by one individual or a small group of individuals;

12.1.4 monitored the AAML and aIML boards' compliance with the Group's diversity statement;

12.1.5 used any forms of resources the Committee deems appropriate, including external advice; and

12.1.6 ensured that the Committee receives appropriate funding.

12.2 Where the boards of Group Companies have established nomination (and governance) committees, the Committee shall:

12.2.1 review the terms of reference of the nomination (and governance) committees of the Group Company;

12.2.2 receive and review the minutes of the meetings of the nomination (and governance) committees of the Group Company;

12.2.3 receive and review reports on any other matters the chairs of the nomination (and governance) committees of the Group Company wishes to bring to the attention of the Committee.

The Chair is authorised to attend any meetings of the nomination (and governance) committees of the Group Companies.

## **Definitions**

<b>“Board”</b>	The Board of Directors of the Company
<b>“Chair”</b>	The Chair of the Committee
<b>“Committee”</b>	The Nomination and Governance Committee of the Company
<b>“Company”</b>	abrdrn plc
<b>“Company Secretary”</b>	The Company Secretary of the Company
<b>“Director”</b>	A Director of the Company
<b>“Executive Director”</b>	An Executive Director of the Company
<b>“Group”</b>	The Company and its subsidiaries
<b>“Group Company”</b>	Any company within the Group
<b>“Non-Executive Director”</b>	A Non-Executive Director of the Company
<b>“Secretary”</b>	The Secretary of the Committee

## **Disclosure Committee**

### **Constitution and Terms of Reference**

#### **1. Membership**

- 1.1 Members of the Committee shall be appointed by the Board.
- 1.2 The Committee shall consist of the Chair of the Board, the Chief Executive Officer, the Chief Financial Officer, the Group General Counsel, and the Company Secretary.
- 1.3 Only members of the Committee and the Secretary have the right to attend Committee meetings. However, other individuals may be invited to attend all or part of any meeting as and when appropriate.
- 1.4 The Board shall appoint the Chair. In the absence of the Chair, the remaining members of the Committee present shall elect one of themselves to chair the meeting.

#### **2. Secretary**

- 2.1 A nominee of the Company Secretary shall act as the Secretary.

#### **3. Quorum**

- 3.1 The quorum necessary for the transaction of business shall be three members, one of whom shall be the Chair, one of whom shall be the Chief Executive Officer or the Chief Financial Officer and one of whom shall be the Company Secretary or the Group General Counsel. If, owing to the unavailability of one or more of the foregoing persons, it is not possible for a quorum of members to be present, any of the foregoing persons shall have the power to co-opt up to two Directors, at least one of whom is a Non-Executive Director to join the Committee for a specific meeting or for any longer period.

#### **4. Frequency of Meetings**

- 4.1 The Committee shall meet at appropriate times as required.

#### **5. Procedures**

- 5.1 The procedures applicable to committees of the Board, set out in the Company's Articles of Association, shall, save in so far as these terms of reference otherwise provide, apply to the Committee as it were a committee of the Board.
- 5.2 The provisions of the Company's Articles of Association permitting resolutions of the Company's Board to be passed in written form shall apply to resolutions of the Committee, substituting references to the Committee for reference to the Board.

#### **6. Minutes of Meetings**

- 6.1 Minutes of Committee meetings shall be circulated to all members of the Committee, and to all members of the Board.

#### **7. Duties**

The role of the Committee is to consider the disclosure treatment of information which has been identified within the Group as meeting the definition of inside information and to ensure that, when relevant, disclosures are accurate and made on a timely basis. This includes:

- 7.1 assessing whether the information meets the definition of inside information;
- 7.2 for information which the Committee concludes is inside information, agreeing the date and time that the inside information came into existence, and reviewing and approving the scope, content and release of the relevant disclosures;
- 7.3 for inside information the release of which the Committee concludes should be delayed, agreeing the reason for the delay.

#### **8. Reporting Responsibilities**

- 8.1 The Chair shall report formally to the Board on the proceedings of the Committee.

#### **9. Authority**

The Committee is authorised by the Board:

- 9.1 to seek any information it requires from any employee or director of the Company and its subsidiaries in order to perform its duties;
- 9.2 to obtain, at the Company's expense, external legal or other professional advice on any matter falling within its terms of reference; and

9.3 to approve the content of and release of any relevant disclosures. In particular the Committee is authorised to approve for release the announcement of:

9.3.1 any non-material transactions;

9.3.2 financial results;

9.3.3 any changes to the membership and composition of the Board;

at times when the timing of the relevant announcement makes it impracticable to put the proposed announcement to a meeting of the full Board. The text of proposed announcements should be circulated to all Directors to allow them to comment on any announcement proposed to be considered by the Committee.

## Definitions

<b>“Board”</b>	The Board of Directors of the Company
<b>“Chair”</b>	The Chair of the Committee
<b>“Committee”</b>	The Disclosure Committee of the Company
<b>“Company”</b>	abrtn plc
<b>“Company Secretary”</b>	The Company Secretary of the Company
<b>“Director”</b>	A Director of the Company
<b>“Group”</b>	The Company and its subsidiaries
<b>“Non-Executive Director”</b>	A Non-Executive Director of the Company
<b>“Secretary”</b>	The Secretary of the Committee

## Share Schemes Allotment Committee

### Constitution and Terms of Reference

#### 1. Membership

- 1.1 Members of the Committee shall be appointed by the Board.
- 1.2 The Committee shall consist of two Directors of the Company and the Company Secretary, (or the Deputy Group Company Secretary when the Company Secretary is unavailable) with the Global Head of Reward (or their nominated representative) in attendance.
- 1.3 Only members of the Committee and the Secretary have the right to attend Committee meetings. However, other individuals may be invited to attend all or part of any meeting as and when appropriate.

#### 2. Secretary

- 2.1 A nominee of the Company Secretary shall act as the Secretary.

#### 3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be one member who will be an Executive Director or the Company Secretary (or the Deputy Group Company Secretary when the Company Secretary is unavailable).

#### 4. Frequency of Meetings

- 4.1 The Committee shall meet at appropriate times as required.

#### 5. Procedures

- 5.1 The provisions applicable to committees of the Board, set out in the Company's Articles of Association shall, save in so far as these terms of reference otherwise provide, apply to the Committee as if it were a committee of the Board.
- 5.2 The provisions of the Company's Articles of Association permitting resolutions of the Board to be passed in written form shall apply to resolutions of the Committee, substituting references to the Committee for references to the Board.

#### 6. Minutes of Meetings

- 6.1 Minutes of Committee meetings shall be circulated to all members of the Committee.

#### 7. Duties

- 7.1 The Committee's role is to authorise the grant of options over ordinary shares and the allotment of new ordinary shares in the Company, and to do all such other things as are necessary thereto, pursuant to, and in accordance with the Company's executive incentive plans and employee share plans, and the decisions of the Group Remuneration Committee and the Board.

#### 8. Reporting Responsibilities

- 8.1 The Committee shall report formally to the Board on its proceedings.

#### 9. Authority

The Committee is authorised by the Board:

- 9.1 to seek any information it requires from any employee or director of the Company and its subsidiaries in order to perform its duties;
- 9.2 to obtain, at the Company's expense, external legal or other professional advice on any matter falling within its terms of reference;
- 9.3 to authorise the grant of options over ordinary shares and the allotment of new ordinary shares in the Company; and
- 9.4 to do all such other things as are necessary thereto, pursuant to, and in accordance with the Company's executive incentive plans and employee share plans, and the decisions of the Group Remuneration Committee and the Board.

## **Definitions**

<b>“Board”</b>	The Board of Directors of the Company
<b>“Committee”</b>	The Share Schemes Allotment Committee of the Company
<b>“Company”</b>	abrdrn plc
<b>“Company Secretary”</b>	The Company Secretary of the Company
<b>“Group”</b>	The Company and its subsidiaries
<b>“Secretary”</b>	The Secretary of the Committee



## **Standing Committee**

### **Constitution and Terms of Reference**

#### **1. Membership**

- 1.1 Members of the Committee shall be appointed by the Board.
- 1.2 The Committee shall consist of the Chair of the Board, the Senior Independent Director, the Chief Executive Officer, the Chief Financial Officer and, for any meeting of the Committee, any other Director who attends the meeting.
- 1.3 Only members of the Committee, and the Secretary have the right to attend Committee meetings. However, other individuals may be invited to attend all or part of any meeting as and when appropriate.
- 1.4 The Board shall appoint the Chair. In the absence of the Chair, the remaining members of the Committee present shall elect one of themselves to chair the meeting.

#### **2. Secretary**

- 2.1 The Company Secretary or a nominee of the Company Secretary shall act as the Secretary.

#### **3. Quorum**

- 3.1 The quorum necessary for the transaction of business shall be four Directors, at least two of whom shall be Non-Executive Directors.

#### **4. Frequency of Meetings**

- 4.1 The Committee shall meet at appropriate times as required.

#### **5. Procedures**

- 5.1 The procedures applicable to committees of the Board, set out in the Company's Articles of Association, shall, save in so far as these Terms of Reference otherwise provide, apply to the Committee.
- 5.2 Notice of all meetings of the Committee, and all Committee papers, shall be sent to all Directors.
- 5.3 A meeting of the Committee shall be convened when it is necessary or desirable to consider before the next scheduled Board meeting a matter which would otherwise fall to be considered at that scheduled Board meeting.

#### **6. Minutes of Meetings**

- 6.1 Minutes of Committee meetings shall be circulated to all members of the Committee, and to all members of the Board.

#### **7. Powers**

- 7.1 The Committee shall be entitled to exercise all of the powers, authorities and discretions of the Board, including the power to sub delegate.

#### **8. Reporting Responsibilities**

- 8.1 The Chair shall report formally to the Board on the proceedings of the Committee.

#### **9. Authority**

The Committee is authorised by the Board:

- 9.1 to seek any information it requires from any employee or director of the Company and its subsidiaries in order to perform its duties;
- 9.2 to obtain, at the Company's expense, external legal or other professional advice on any matter falling within its terms of reference; and
- 9.3 to approve the content of and release of any relevant disclosures.

## **Definitions**

<b>“Board”</b>	The Board of Directors of the Company
<b>“Chair”</b>	The Chair of the Committee
<b>“Committee”</b>	The Standing Committee of the Company
<b>“Company”</b>	abrdrn plc
<b>“Company Secretary”</b>	The Company Secretary of the Company
<b>“Director”</b>	A Director of the Company
<b>“Group”</b>	The Company and its subsidiaries
<b>“Non-Executive Director”</b>	A Non-Executive Director of the Company
<b>“Secretary”</b>	The Secretary of the Committee
<b>“Senior Independent Director”</b>	The Senior Independent Director of the Company