

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 Chairman of the Board, the Chief Executive 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 Group People Director 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 Chairman who may be the Chairman of the Board or a Non-Executive Director determined by the Board to be independent. In the absence of the Chairman, 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 his or her own performance or re-appointment is being considered.

2. Secretary

- 2.1 The Group Company Secretary and General Counsel, or a nominee of the Group Company Secretary and General Counsel approved by the Chairman 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 summoned 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 Chairman 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 on the Board, including gender;
 - 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 succession planning for the Board and approve the succession plans for Senior Executives of the Group reporting to the Chief Executive;

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; and
- seeking to consider candidates from a wide range of backgrounds.

- 8.1.4 approve independent/external appointments to, and removals from, the board of directors of and board committees of, the Principal Subsidiaries;
- 8.1.5 approve the appointment and removal of Senior Executives of the Group reporting to the Chief Executive;
- 8.1.6 approve changes of (and changes to the status of) the employer-nominated trustees of all pension schemes, and note changes of employee-nominated trustees;
- 8.1.7 keep under review the leadership needs of the Group, both executive and non-executive;
- 8.1.8 review annually the time required from Non-Executive Directors;
- 8.1.9 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;
- 8.1.10 approve and review the implementation of:
 - 8.1.10.1 processes for evaluating the effectiveness of the Board, the Chairman, individual Directors and Board Committees;
 - 8.1.10.2 processes for identifying the training needs of Directors; and
 - 8.1.10.3 processes for selecting, inducting and training Directors.
- 8.1.11 make recommendations to the Board with regard to the appointment and removal of the Chairman of the Board, the Deputy Chairman of the Board (if appropriate), the Senior Independent Director of the Board, the Non-Executive Directors of the Board, the Executive Directors of the Board, and the Chief Executive;
- 8.1.12 make recommendations to the Board with regard to the appointment of Directors to Board Committees and with regard to the appointment of the chairmen of Board Committees;
- 8.1.13 make recommendations to the Board with regard to the continued appointment of any Non-Executive Director at the conclusion of his or her 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;
- 8.1.14 make recommendations to the Board with regard to the election or re-election by members of any Director;
- 8.1.15 make recommendations to the Board with regard to any matters relating to the continuation in office of any Director at any time;
- 8.1.16 make recommendations to the Board with regard to the appointment of any Director to executive or other office other than to the positions of Chairman and Chief Executive;
- 8.1.17 make recommendations to the Board with regard to the authorisation of any actual or potential conflict of interest or outside appointment 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 board charters and to the Constitutions of the Principal Subsidiaries;
- 8.2.3 keep under review the Corporate Governance of the Group, having regard to regulatory and legal requirements 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 Combined Code on Corporate Governance and the related corporate governance disclosures made by Directors in the Company's Annual Report & Accounts.

9. Reporting Responsibilities

- 9.1 The Chairman 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 the Principal Subsidiaries

12.1 The Committee shall:

- 12.1.1 approve the terms of reference of the nomination (and governance) committees of the Principal Subsidiaries;
- 12.1.2 receive and review the minutes of the meetings of the nomination (and governance) committees of the Principal Subsidiaries;

12.1.3 receive and review reports on any other matters the chairmen of the nomination (and governance) committees of the Principal Subsidiaries wish to bring to the attention of the Committee.

12.2 The Chairman is authorised to attend any meetings of the nomination (and governance) committees of the Principal Subsidiaries.

Definitions

“Board”	The Board of Directors of the Company
“Chairman”	The Chairman of the Committee
“Committee”	The Nomination and Governance Committee of the Company
“Company”	Standard Life plc
“Group Company Secretary and General Counsel”	The Group Company Secretary and General Counsel of the Company
“Director”	A Director of the Company
“Group”	The Company and its subsidiaries
“Group Company”	Any company within the Group
“Non-Executive Director”	A Non-Executive Director of the Company
“Principal Subsidiaries”	Standard Life Assurance Limited, Standard Life Investments Limited, Standard Life Assurance Company of Canada, Standard Life Employee Services Limited, Standard Life Wealth Limited
“Secretary”	The Secretary of the Committee