

## RIT Capital Partners plc

(“Company”)

### Non-Executive Chairman

#### Terms of Reference

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The duties of the Chairman, which is a non-executive role, arise from their position as the senior officer of the Company and their responsibility for presiding over the official business of the Company and the Board. These Terms of Reference set out their main responsibilities (*footnotes indicate where such responsibilities address the Principles of the 2018 UK Corporate Governance Code as well as the 2019 AIC Code of Corporate Governance*):

#### 1. Board Meetings:

- a. To lead the Board, chairing its meetings and ensuring its effectiveness in directing the Company<sup>1</sup>.
- b. To determine the regularity and frequency of Board meetings. To set the Board agenda, ensuring it is balanced and covers key aspects of Company purpose as well as appropriate reports from the Investment Manager (JRCM)<sup>2</sup>.
- c. To ensure the Directors receive accurate, timely and clear information thereby enabling the Board to take sound decisions<sup>3</sup>.
- d. To manage the Board to allow enough time for robust discussion of complex or contentious issues and to ensure the Directors have sufficient time to consider critical issues and obtain answers to any questions or concerns they may have and are not faced with unrealistic deadlines for decision making<sup>4</sup>.
- e. To ensure the delegation of authority from the Board of RIT to the Investment Manager, JRCM. Thereby maintaining a clear separation of roles, allowing JRCM to effectively carry out its functions under the investment management arrangements agreed between the Company and the Investment Manager

#### 2. Overseeing Board Composition and Duties:

- a. To Chair the Nominations Committee and to plan succession in Board appointments (except that of a Chairman), ensuring the Board has a balance of skills, experience, knowledge and diversity appropriate for the needs of the business and that at least half the Directors, excluding the non-executive Chairman, are independent non-executive Directors<sup>5</sup>.

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<sup>1</sup> Principle F – 2018 UK Corporate Governance Code/Principle 6.1F AIC Code of Corporate Governance

<sup>2</sup> Principle B – 2018 UK Corporate Governance Code/Principle 5.1B AIC Code of Corporate Governance

<sup>3</sup> Principle F – 2018 UK Corporate Governance Code/Principle 6.1F AIC Code of Corporate Governance

<sup>4</sup> Principle H – 2018 UK Corporate Governance Code/Principle 6.1H AIC Code of Corporate Governance

<sup>5</sup> Principles J and K – 2018 UK Corporate Governance Code/Principle 7.1J & K AIC Code of Corporate Governance

- b. To ensure Director independence is kept under review and properly managed.
- c. To facilitate the effective contribution of Directors and encourage active engagement by all members of the Board<sup>6</sup>.
- d. To interact regularly with the SID. Ensuring that the SID provides the non-executive Chairman with challenge, feedback and appraisal.

**3. General Meetings:**

- a. To chair each annual general meeting and any other general meetings.
- b. To arrange for the Chairs of Board Committees to be available to answer questions at the annual general meeting and any other general meetings.

**4. Relations with shareholders and stakeholders:**

- a. To ensure effective communication and engagement mechanisms are in place in respect of shareholders and other stakeholders<sup>7</sup>.
- b. To ensure that the Board are taking shareholder views into account when making Company decisions.

**5. Corporate Governance:**

- a. To promote high standards of corporate governance, seeking compliance with the UK Corporate Governance Code/AIC Code of Corporate Governance (as appropriate). If full compliance is not possible, to ensure that the reasons for non-compliance are fully understood and explained to shareholders.

**6. Additional Responsibilities of the non-executive Chairman**

- a. To promote and safeguard the interests and reputation of the Company.

01 October 2019

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<sup>6</sup> Principle F – 2018 UK Corporate Governance Code Principle 6.1F AIC Code of Corporate Governance

<sup>7</sup> Principle D – 2018 UK Corporate Governance Code Principle 5.1D AIC Code of Corporate Governance