

# **The Scottish Oriental Smaller Companies Investment Trust plc**

## **Nomination Committee - Terms of Reference**

### **1. Membership**

The Committee shall be appointed by the board and shall consist of not less than three members, all of whom should be independent non-executive directors.

The board will also appoint the Committee Chairman and in the absence of the Committee Chairman the remaining members present shall elect one of their numbers to chair the meeting.

The quorum shall be two members.

### **2. Attendance**

Other directors of the Company shall not normally attend the meetings, nor shall they have the automatic right to attend. The Chairman of the meeting, at his discretion, may call upon any other person to attend as and when appropriate.

The Company Secretary shall act as secretary to the Committee.

Attendance at any Committee meeting may be by conference telephone or any communication equipment which allows all persons participating in the meeting to speak to and hear each other.

### **3. Frequency of meetings**

Meetings shall be held as required to enable the Committee to fulfil its obligations to the Company.

### **4. Authority**

The Committee is authorised to investigate any matter within its terms of reference and may obtain, at the Company's expense outside legal or other professional advice on any matters within its terms of reference.

### **5. Duties**

The Committee shall:

5.11. Review regularly the board structure, size, composition and age profile, as well as the balance of knowledge, experience and skill range.

5.2. Be responsible for identifying and nominating candidates for the approval of the board to fill board vacancies as and when they arise.

5.3. Monitor and appraise the performance of the directors. No director is permitted to be involved in any discussion or vote relating to their performance. The senior independent director shall lead the appraisal of the Company's Chairman annually and shall report to the board in the Chairman's absence.

5.4. Draw up plans for succession for the board.

5.5. Ensure the provision of an induction programme for new directors and monitor the professional development and training needs of existing directors.

5.6. In respect of directors who are retiring by rotation or whose term of appointment is due to expire, make recommendations to the board as to their suitability for re-election or re-appointment based on performance appraisals.

## **The Scottish Oriental Smaller Companies Investment Trust plc**

- 5.7. Assess and recommend which directors are independent or not independent for approval by the board and for disclosure in the Annual Report.
- 5.8. Review annually the time required to perform the duties of a director and assess whether the directors are spending enough time to fulfil these duties.
- 5.9. Make a statement in the Annual Report about its activities; the membership of the committee, number of committee meetings and attendance over the course of the year; the process used for appointments and explain if external advice or open advertising has not been used.
- 5.10. Consider directors' potential conflicts of interest and make recommendations to the board.

### **6. Reporting to the board**

Minutes of the Committee meetings shall be circulated to all members of the Committee and made available on request to all other members of the board.

The Chairman of the Committee shall report formally to the board on the Committee's conclusions after each meeting.

### **7. Reporting to the shareholders**

The Committee shall make a statement in the annual report detailing the Company's remuneration policy and practices.

The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

### **8. Performance**

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure that it is operating effectively and, if relevant, to recommend any changes necessary to the board.