

**F&C INVESTMENT TRUST PLC  
("FCIT")**

**NOMINATION COMMITTEE**

**TERMS OF REFERENCE**

Constitution

The Nomination Committee of FCIT (the 'Nomination Committee') was established by a resolution of the Board of Directors of FCIT (the 'Board') in 1994. The Nomination Committee is accountable to the Board.

Responsibilities

The Nomination Committee shall:

1. review regularly the Board structure, size and composition and diversity and age profile, as well as the balance of knowledge, experience and skill range and, having considered succession planning and agreeing a tenure policy, make recommendations to the Board with regard to any changes that are deemed necessary; prepare job specifications, as appropriate and draft letters of appointment for approval by the Board;
2. be responsible for identifying (taking external advice where appropriate) and nominating candidates for the approval of the Board to fill Board vacancies as and when they arise as well as put in place plans for succession, in particular, of the Chairman and the Senior Independent Director;
3. establish an induction programme and review and update the Directors' Handbook periodically for approval by the Board;
4. make recommendations for changes to the chairmanship and membership of the Company's committees;
5. make recommendations with regard to any variation in the terms of Directors' appointments and in the standard period of appointment for which a Director is appointed.
6. recommend directors standing for annual re-election to the Board to be put forward for re-election/re-appointment.
7. assess and recommend which directors are independent or not independent for approval by the Board and for disclosure in the Annual Report and Accounts;
8. be responsible for considering Directors' requests for authorisation of conflicts of interest situations and for making recommendations to the Board on whether or not the situation should be authorised in accordance with the Conflicts of Interests – Authorisation Policy and Procedure, and:-
  - i) review annually any conflict situations which have been authorised, together with any updates provided by Directors. Provided there has been no material change in circumstance and the Committee is of the

view that the Conflict situation has not affected the Director in his role as a Director of the Company, the Committee will not recommend any change to the terms of the authorisation or withdrawal of authorisation.

- ii) review, following receipt of a notification from a Director that the facts of the conflict situation have changed materially, the change in circumstance and consider whether a new authorisation should be given, or the terms of the existing authorisation varied, or whether the existing authorisation should be withdrawn. The Committee will make its recommendation to the next scheduled Board meeting where the Board will decide whether to withdraw, vary or maintain the existing authorisation.
9. review annually the time required to perform duties of a Director and assess whether Directors are spending enough time to fulfil these duties; and
  10. prepare a statement for the Annual Report (Provision 23) about its activities (including process used for appointments; explaining if external advice or open advertising has not been used; membership of the committees, number of meetings and attendance, and on the Company's procedures for ensuring that the Board's powers of authorisation of conflicts are operated effectively and that the procedures have been followed).
  11. review annually the level of the Directors fees and make recommendations for the financial year ahead.

### Membership

The Nomination Committee shall normally comprise a minimum of two independent non-executive directors of FCIT. Members of the Nomination Committee shall be appointed by the Board. In the event that one of the members is unable to attend a meeting, the Chairman has the authority to co-opt one of the other independent Directors from the Board, should such action be deemed necessary.

The Chairman of the Nomination Committee shall be appointed by the Board.

### Secretary

The Company Secretary of the Nomination Committee shall be BMO Investment Business Limited.

### Meetings

The Nomination Committee will meet at least once a year and additional meetings as required shall be called by the Secretary at the request of the Chairman of the Committee.

A quorum shall be any two members including the Chairman of the Nomination Committee, or the Chairman's delegate.

### Reporting

The minutes of each meeting of the Nomination Committee shall be circulated to all members of the Nomination Committee. Any director may, upon request to the Secretary, provided that there is no conflict of interests, obtain copies of the Nomination Committee's agenda and minutes.

Reports shall be made to the Board as appropriate.

General powers

The Nomination Committee is empowered to employ the services of such advisers as it deems necessary to fulfil its responsibilities and incur appropriate fees up to £50,000 on any one occasion for so doing before reverting back to the Board for approval.

The Terms of Reference are available on request and are published on the FCIT website.