

THE SCOTTISH INVESTMENT TRUST PLC

(the "Company")

TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE

(the "Committee")

1. CONSTITUTION AND RESPONSIBILITY

- 1.1. The Committee is appointed by the board of the Company (the "Board") in accordance with its Articles of Association (article 142).
- 1.2. The Committee is to assist the Board with the process for Board appointments and make recommendations to the Board.

2. MEMBERSHIP

- 2.1. The Committee shall comprise all serving members of the Board.
- 2.2. A majority of the members of the Committee shall be directors of the Company independent of management.
- 2.3. The chairman of the Board of directors shall chair the Committee except when the appointment of a new chairman is being considered. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
- 2.4. Each member shall declare any conflicts or potential conflicts of interest at the start of each meeting.

3. ATTENDANCE

- 3.1. The Committee may ask the chairman, other members of the Board and any relevant senior management to attend meetings either regularly or by invitation, but the invitees have no right of attendance.
- 3.2. The Committee may invite external advisers to attend for all or part of any meeting, as and when appropriate and necessary.

4. SECRETARY

The company secretary of the Company or his/her nominee shall act as the secretary of the Committee.

5. QUORUM

- 5.1. The quorum necessary for the transaction of business shall be two.
- 5.2. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

6. FREQUENCY OF MEETINGS

The Committee shall meet at such times as the chairman of the Committee shall require.

7. NOTICE OF MEETINGS

Meetings of the Committee shall be convened by the secretary of the Committee at the request of the chairman of the Committee.

8. MINUTES OF MEETINGS

- 8.1. The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 8.2. The secretary should ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 8.3. Minutes of Committee meetings shall be circulated to all members of the Committee.

9. DUTIES

The duties of the Committee shall be:

- 9.1.1. to regularly review the structure, size and composition (including the knowledge, experience, skills and diversity) of the Board and make recommendations with regard to any adjustments that are deemed necessary;
- 9.1.2. to satisfy itself, with regard to succession planning, that the processes and plans are in place for the Board and that these take into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.

- 9.1.3. to be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 9.1.4. to 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 of Board meetings;
- 9.1.5. to ensure the provision of an induction programme for new directors and monitor the professional development and training needs of existing directors;
- 9.1.6. prior to the appointment of a director, to require the proposed appointee to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- 9.1.7. to review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties; and
- 9.1.8. to monitor and undertake an annual performance evaluation of all members of the Board.

10. REPORTING RESPONSIBILITIES

- 10.1. The Committee shall produce a report to be included in the Company's annual report on its activities, the process used to make appointments and explain if external advice or open advertising has not been used.
- 10.2. Where an external search agency has been used, it should be identified in the annual report and a statement made as to whether it has any connection with the Company.
- 10.3. The report should also include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.

11. OTHER MATTERS

- 11.1. The Committee shall give due consideration to all applicable laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules as appropriate.
- 11.2. An induction programme is provided for new Committee members and ongoing training is available for existing members of the Committee.
- 11.3. The Committee should, on a regular basis, review its own performance, constitution and, at least annually, its terms of reference to ensure it is operating at maximum effectiveness.

12. AUTHORITY

- 12.1. The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.
- 12.2. The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.