THE CITY OF LONDON INVESTMENT TRUST PLC

Nominations Committee Terms of Reference

Membership

1.1 The Committee is appointed by the Board in accordance with the Articles of Association of the Company (Article 101).

1.2 Members of the Committee shall be appointed by the Board and shall be at least any two Directors of the Company, a majority of whom must be determined by the Board to be independent, with reference to the prevailing governance code, and also from the Manager.

1.3 The Committee shall be chaired by the Chairman of the Board. The Chairman will not participate in the appointment of a replacement Chairman, at which times, the Nominations Committee will be chaired by another independent Director.

1.4 Appointments to the Committee shall be for a period of up to three years, which may be extended, provided the Director continues to meet the criteria for membership of the Committee.

Secretary

2.1 The Secretary shall act as Secretary of the Committee. A member of the Committee may act as Secretary in the Secretary's absence.

Quorum

3.1 The quorum necessary for the transaction of business shall be two, both of whom must be independent. 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.

Frequency of Meetings

4.1 The Committee shall meet at least once a year and as and when deemed appropriate or convened by the Board.

Notice of Meetings

5.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chairman or the Board.

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, any other person required to attend and all other non-executive directors, no later than four working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

5.3 Notices, agendas and supporting papers will be sent in electronic form unless the recipient has requested to receive documents in a different way.

Minutes of Meetings

6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings including the names of those present and in attendance.

6.2 The minutes of the Committee meetings shall be circulated to the Chairman of the Committee in the first instance for initial comment, then circulated with the next set of Board papers for review.

Engagement with Shareholders

7.1 The Chairman of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities and matters within the scope of the Committee's responsibilities. In addition, the Chairman shall be available to engage with shareholders on significant matters related to the Committee's areas of responsibility.

Duties

8.1 To fulfil the duty under section 172 of the Companies Act 2006, each individual Director must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and in doing so, have regard to a number of broader matters including:

a) the likely consequences of any decision in the long-term;
b) the need to foster the Company's business relationships with suppliers, customers and others;
c) the impact of the Company's operations on the community and the environment;
d) the desirability of the Company maintaining a reputation for high standards of business conduct; and
e) the need to act fairly between members of the Company.

Committee members should have regard to these matters when considering the business of the Committee.

The Committee shall undertake the following:

Board and committee composition

8.2 regularly review the performance, structure, size and composition, including the skills, knowledge, experience and diversity, of the Board and its committees and make recommendations to the Board with regard to any changes;

8.3 advise the Board on any matters relating to the continuation in office of any director;

8.4 advise the Board regarding the directors offering themselves for re-election at the annual general meeting; having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to Directors being re-elected for a term beyond six years);

8.5 periodically review the terms of appointment of non-executive Directors;

8.6 make recommendations to the Board about the policy on the tenure of the Directors and the Chairman of the Board, to be disclosed in the Annual Report; a clear rationale for the expected tenure should be provided, and the policy should explain how this is consistent with the need for regular refreshment and diversity;

8.7 develop, if appropriate, and periodically review any formal objectives which may be established for the implementation of diversity on the Board and monitor progress toward the achievement of those objectives;

Appointment of directors

8.8 be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;

8.9 before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment;

8.10 be responsible for considering the process to be followed in making appointments to the Board which may include using the services of external advisers to facilitate the search, open advertising or other methods;

8.11 consider candidates from a wide range of backgrounds on merit and against objective criteria (which protect against discrimination for those with protected characteristics within the meaning of the Equalities Act 2010), with due regard to the promotion of diversity, inclusion and equal opportunity;

8.12 for the appointment of the chairman, prepare a job specification setting out the expected time commitment for the role;

8.13 make recommendations on suitable candidates for the role of the Senior Independent Director;

8.14 ensure that, prior to the appointment of a non-executive Director, the other commitments and potential conflicts of interest of the proposed appointee have been considered to ensure that they can devote sufficient time to the Company's business and are free from any conflicts likely to infringe on their effectiveness in carrying out their duties to the Company;

8.15 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;

Succession planning

8.16 keep under regular review the leadership needs of the Company, to ensure its continued ability to compete effectively in the marketplace and provide appropriate challenge to the Manager;

8.17 review and make recommendations to the Board in respect of succession planning for the key role of the Chairman, non-executive Directors and the Fund Manager taking into account the challenges and opportunities facing the Company and what skills and expertise are required to enable the Company to continue operating successfully;

Independence, time commitment and effectiveness

8.18 review annually the time required from non-executive Directors. The performance review should be used to assess whether the non-executive Directors are spending enough time to fulfil their duties;

8.19 review annually the independence of the non-executive Directors with reference to the provisions set out in the prevailing governance code and also in terms of their connections to the Manager;

Effectiveness

8.20 carry out a performance review of the Board as a whole, its committees and individual Directors, on an annual basis, including its composition, diversity and how effectively members work together to achieve objectives, as detailed in clause 9.1 below;

8.21 carry out a performance review of the Manager assessing whether the contractual arrangements and remuneration structure currently in place remain appropriate and competitive;

8.22 carry out a performance review of the Company's key third-party service providers and their respective terms of engagement.

Performance Evaluation Methodology

9.1 The Chairman of the Nominations Committee (being the Chairman of the Board) will review each individual Director's performance and contribution, and the work of the Board as a whole, on an annual basis. The review may be conducted through the use of internal questionnaires or discussions; or externally facilitated using a specialist third-party service provider.

9.2 The Senior Independent Director, or one of the other independent directors, as agreed by the Committee members, shall take the lead in the annual review of the performance of the Chairman of the Board. The Committee shall meet without the Chairman present in order to review the performance of the Chairman.

Reporting Responsibilities

10.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit or where action or improvement is needed.

10.3 The Committee shall make a statement in the Annual Report about its activities, the process used to make appointments and an explanation if external advice or open advertising has not been used.

10.4 The Committee shall make available its terms of reference explaining clearly its role and the authority delegated to it by the Board.

Other

The Committee shall:

11.1 have access to sufficient resources to carry out its duties, including access to the company secretariat as required;

11.2 ensure that Directors are provided with appropriate, timely training, both in the form of an induction programme for new Directors and on an ongoing basis for all Directors as and when required;

11.3 give due consideration to laws and regulations, the provisions of the Code and the requirements of the FCA's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate;

11.4 at least once a year, review its own performance, constitution and terms of reference insuring it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Authority

12.1 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.