

AVI Japan Opportunity Trust plc

Terms of reference of the Nomination Committee

(as adopted on 5 September 2018)

1. **Composition of the Committee**

The Nomination Committee (the "**Committee**") shall comprise all the Directors. The board of directors of the Company (the "**Board**") shall appoint the Committee Chairman who should be the Chairman of the Board. In the absence of the Committee Chairman the remaining members present shall elect one of their number to chair the meeting.

2. **Meetings**

The Committee shall meet annually and at such other times as the Chairman of the Committee shall require. A meeting of the Committee may be called by any member of the Committee or the Company Secretary.

The quorum for the meetings of the Committee shall be three members of the Committee.

3. **Resources**

The Company Secretary shall act as Secretary to the Committee and should ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

4. **Authority**

The Committee shall have the power to employ the services of such advisers as it deems necessary to fulfil its responsibilities.

5. **Principal Responsibilities**

The Committee shall:

- be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, define the capabilities in which the Board is deficient;
- in the light of this, and the outcome of the relevant evaluation process, determine whether to recommend that the names of Board Directors who fall due for re-election should be put to shareholders;
- where further vacancies exist, control the process of external recruitment, ensuring appropriate consideration of candidates from a wide range of backgrounds;

- give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore needed on the Board in the future;
- consider Directors' potential conflicts of interest and make recommendations to the Board as to their approval;
- 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; and
- 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.

The Committee shall also make recommendations to the Board concerning:

- suitable candidates for the role of Senior Independent Director, should the Board deem it appropriate to have a Senior Independent Director in future; and
- membership of the Audit Committee, and any other future board committee as appropriate, in consultation with the Chairman of those Committee(s).

6. Reporting Responsibilities

To produce a report in the annual report about its activities; the process used for appointments; and if external advice or open advertising has not been used, explain why. Where an external search agency has been used, it shall be identified in the Annual Report and a statement made as to whether it has any connection with the Company as well as any associated fees charged. The report should also include a statement of the Board's policy on diversity, including gender, and any measurable objective that it has set for implementing the policy.

7. Other Matters

The Committee shall:

- ensure that both newly appointed and existing Directors undertake training appropriate to help them fulfil their duties and are provided with a full induction to the Board; and
- arrange for periodic reviews of its own performance and, at least annually, review its constitution to ensure it is operating at maximum effectiveness.