



Close Brothers Group plc

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Schedule of Matters Reserved for the Board

1. Strategy and Management

- 1.1 Responsibility for the overall management of the group.
- 1.2 Approval of the group's objectives and commercial strategy.
- 1.3 Approval of the annual business plans and operating budgets and any material changes to them.
- 1.4 Oversight of the group's operations ensuring:
 - competent and prudent management and its succession
 - a sound system of internal control
 - proper accounting and other records
 - compliance with statutory and regulatory obligations
 - high standards of ethics and consumer/client relationships.
- 1.5 Review of performance in the light of the group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.6 Any decision to cease to operate all or any material part of the group's business.

2. Structure and capital

- 2.1 Changes relating to the group's capital structure including reduction of capital, share issues (except under employee share plans), share buy backs.
- 2.2 Significant changes to the group's corporate structure.
- 2.3 Changes to the group's management and control structure.
- 2.4 Changes to the company's listing or its status as a plc.



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3. Financial reporting and controls

- 3.1 Approval of announcements of interim and preliminary final results
- 3.2 Approval of the annual report and accounts, including the corporate governance, remuneration and social responsibility reports.
- 3.3 Approval of the dividend policy.
- 3.4 Declaration of the interim dividend and recommendation of the final dividend.
- 3.5 Approval of any significant changes in accounting policies or practices.

4. Internal controls

Ensuring maintenance of a sound system of internal control and risk management including:

- 4.1 receiving reports on, and reviewing the effectiveness of, the group's risk and control processes to support its strategy and objectives
- 4.2 undertaking an annual assessment of these processes
- 4.3 approving an appropriate statement for inclusion in the annual report.

5. Acquisitions and investments

- 5.1 Major acquisitions or disposals above £20 million or of gross assets over £100 million.
- 5.2 Major investments including the acquisition or disposal of interest of more than 5 percent in the voting shares of any listed company or the making of any takeover approach or offer.
- 5.3 Investment in funds of £25 million or more in aggregate.
- 5.4 Contracts which are material strategically or by reason of size, entered into by the company or any subsidiary in the ordinary course of business.
- 5.5 Contracts of the company or any subsidiary not in the ordinary course of business

6. Communication

- 6.1 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.



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- 6.2 Approval of all circulars and listing particulars.
- 6.3 Approval of press releases concerning matters decided by the Board.

7. Board membership and other appointments

- 7.1 Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.
- 7.2 Ensuring adequate succession planning for the Board and senior management.
- 7.3 Approval of appointments to the Board, following recommendations by the Nomination Committee.
- 7.4 Appointment of the Chairman of the Board and the Chief Executive
- 7.5 Appointment of the Senior Independent Director.
- 7.6 Appointment of members and Chairman of any Board committee.
- 7.7 Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
- 7.8 Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the company, subject to the law and their service contract.
- 7.9 Appointment or removal of the Company Secretary.
- 7.10 Appointment, reappointment or removal of one or both of the external auditors to be put to shareholders for approval, following the recommendation of the Audit Committee.

8. Remuneration

- 8.1 Determine the remuneration policy for the directors, company secretary and other senior executives.
- 8.2 Determine the remuneration of the non executive directors, subject to the articles of association and shareholder approval as appropriate.
- 8.3 The introduction of share incentive plans or major changes to existing plans, subject to shareholder approval.



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9. Delegation of Authority

- 9.1 The responsibilities of the Chairman and the Chief Executive respectively.
- 9.2 Approve terms of reference of Board committees.
- 9.3 Receive reports from Board committees on their activities.

10. Corporate governance matters

- 10.1 Undertake a formal and rigorous review annually of the Boards performance and that of its committees and of individual directors.
- 10.2 Determine the independence or otherwise of directors.
- 10.3 Consider the balance of interests between shareholders, employees, customers and the communities in which the group operates.
- 10.4 Review the group's overall corporate governance arrangements.
- 10.5 Receive reports on the views of the company's shareholders.

11. Other

- 11.1 The making of political donations.
- 11.2 Approval of the appointment of the group's professional advisers.
- 11.3 Approval of the levels of financial institution insurance for the group including Directors' & Officers' liability insurance.
- 11.4 The schedule of matters reserved for Board decisions.

Matters which the Board considers suitable for delegation are contained in the terms of reference of its Committees.

In addition, the Board shall receive reports and recommendations from time to time on any matter which it considers significant to the Group.

June 2005