

## **Close Brothers Group plc**

### **Nomination and Governance Committee (the “Committee”)**

#### **Terms of Reference**

##### **1. Membership**

- 1.1 Members of the Committee shall be appointed by the board of directors (the “Board”) and shall be made up of at least 2 members, the majority of whom should be independent non-executive directors.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for further three-year periods provided that the majority of the Committee members remain, in the opinion of the board, independent.
- 1.4 The Board shall appoint the Committee Chairman (the “Chairman”) who should be either the Chairman of the Board or an independent non-executive director. In the absence of the Chairman or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

##### **2. Secretary**

- 2.1 The Company Secretary or their nominee shall act as the Secretary of the Committee.

##### **3. Quorum**

- 3.1 The quorum necessary for the transaction of business shall be 2 members. 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.

#### **4. Frequency of Meetings**

- 4.1 The Committee shall meet at least twice a year and at such other times as the Chairman shall require.

#### **5. Notice of Meetings**

- 5.1 Meetings of the Committee shall be convened by the Secretary at the request of the Chairman.
- 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 and any other person required to attend, no later than 3 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.

#### **6. 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 Minutes of Committee meetings shall be circulated promptly to all members of the Committee.

#### **7. Annual General Meeting**

- 7.1 The Chairman shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

#### **8. Duties**

- 8.1 The Committee shall:
1. regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
  2. give full consideration to succession planning for directors and other senior executives 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;
  3. be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;

4. before appointment is made by the board, evaluate the balance of skills, knowledge and experience on the board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
    - use the services of external advisers to facilitate the search;
    - consider candidates from a wide range of backgrounds; and
    - consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position.
  5. keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring there is an adequate talent pool and the continued ability of the organisation to compete effectively in the marketplace;
  6. keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
  7. review annually the time required from non-executive directors. Performance evaluation should be used to assess the contribution of non-executive directors; and
  8. ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them including, committee service and involvement outside board meetings.
- 8.2 The Committee shall also make recommendations to the Board concerning:
1. formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman of the Board and Chief Executive (but see 8 below);
  2. suitable candidates for the role of senior independent director;
  3. membership of the Audit and Remuneration Committees, in consultation with the chairman of those committees;
  4. the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute

to the Board in the light of the knowledge, skills and experience required;

5. the continuation (or not) in service of any director who has reached the age of 70;
6. the re-election by shareholders of any director 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;
7. any matters relating to the 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 provisions of the law and their service contract; and
8. the appointment of any director to executive or other office other than to the positions of Chairman of the Board and Chief Executive, the recommendation for which would be considered at a meeting of the full board.

## **9. Reporting Responsibilities**

- 9.1 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.2 The Committee shall disclose in the Annual Report its activities, the process used to make appointments and explain if external advice has not been used.

## **10. Other**

- 10.1 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **11. Authority**

- 11.1 The Committee is authorised to seek any information it requires from any employee of the company in order to perform its duties.
- 11.2 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.