

Nomination Committee

Terms of Reference

Throughout this document, references to:

- the “**Board**” means the board of directors of Charter Court Financial Services Group plc (the “**Company**”);
- the “**Chairman**” means the chairman of the Board;
- the “**Group**” means the Company and any wholly owned subsidiary (a “**Group Company**”) which may exist from time to time;
- the “**Subsidiary Board**” means a board of directors of any Group Company;
- “**Employee**” means an employee of the Company or any Group Company.

1. Constitution

- 1.1 The Nomination Committee (the “**Committee**”) shall comprise at least three members, a majority of which shall be independent non-executive directors. Members of the Committee shall be appointed by the Board.
- 1.2 The Deputy Chairman, the Director of Operations and the Head of HR are expected to attend all meetings.
- 1.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals (in addition to those referred to in 1.2 above) such as external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.4 Appointments to the Committee shall be for a period of up to three years, which may be extended by the Board for further periods of up to three years, provided the member still meets the criteria for membership of the Committee.
- 1.5 The Board shall appoint the Committee chairperson (the “**Chairperson**”) who should be either the Chairman or an independent non-executive director. In the absence of the Chairperson and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

2. Purpose

- 2.1 To regularly review the composition of the Board and any Subsidiary Board to ensure that the necessary skills, knowledge and experience are available and to ensure that best practice corporate governance standards are met on an ongoing basis.
- 2.2 To lead and monitor the director appointments process ensuring that agreed policies and practices are complied as appropriate.

3. Membership

- 3.1 The members of the Committee are:

Ian Ward	Independent Non-Executive Director/ Chairperson
Sir Malcolm Williamson	Non-Executive Director
Noel Harwerth	Independent Non-Executive Director

4. Secretary

- 4.1 The company secretary or his/her nominee shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

5. Quorum

- 5.1 The quorum necessary for the transaction of business shall be two members, one of whom must be an independent non-executive director. The Chairperson shall have the casting vote.

6. Frequency of Meetings

- 6.1 Meetings will be held not less than two times a year and otherwise as required.

7. Notice of Meetings

- 7.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Chairperson.
- 7.2 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 five 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.

8. Minutes of Meetings

- 8.1 The secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and those in attendance.
- 8.2 The members of the Committee shall, at the beginning of each meeting, declare any conflicts of interest arising and the secretary shall minute them accordingly.
- 8.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, the minutes should be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Chairperson.
- 8.4 Final signed copies of the minutes of the meetings of the Committee should be maintained for the Company's records, in hard and soft copy where possible.

9. Annual general meeting

- 9.1 The Chairperson should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

10. Duties

The Committee is responsible for the oversight of the Group as a whole and, unless indicated or required otherwise by regulation, will carry out the duties below for the Company and each Group Company, as appropriate.

The Committee shall:

- 10.1 regularly review the structure, size and composition (including the skills, knowledge, independence, experience and diversity) of the Board and its committees, and any

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Subsidiary Board and its committees, and make recommendations to them with regard to any changes;

- 10.2 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 Group, and the skills, knowledge, independence, experience and diversity needed in the future;
- 10.3 keep leadership needs under review, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace;
- 10.4 keep up to date and fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates;
- 10.5 be responsible for identifying and nominating for the approval of the Board or Subsidiary Board candidates from a wide range of backgrounds (as appropriate) to fill board vacancies as and when they arise;
- 10.6 before any appointment is made by the Board or Subsidiary Board, evaluate the balance of skills, knowledge, independence, experience and diversity on the Board or Subsidiary 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:
 - 10.6.1 use open advertising or the services of external advisers to facilitate the search;
 - 10.6.2 consider candidates from a wide range of backgrounds;
 - 10.6.3 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board or Subsidiary Board, including gender, taking care that appointees have enough time available to devote to the position;
- 10.7 for the appointment of Chairman, the Committee should prepare a job specification, including the time commitment expected. A proposed Chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the Chairman's commitments should be reported to the Board as they arise;
- 10.8 prior to the appointment of a director, the proposed appointee should be required 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;
- 10.9 keep under review at least annually potential conflicts of interests of directors disclosed to the Company or any Group Company and develop appropriate processes for managing such conflicts if the Committee considers this to be necessary;
- 10.10 ensure that on appointment to the Board or Subsidiary 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 formal meetings together with details of the induction process;
- 10.11 review the results of the Board or Subsidiary Board performance evaluation process that relate to its composition;
- 10.12 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;
- 10.13 make recommendations to the Board or Subsidiary Board concerning:

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- formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive Officer;
 - suitable candidates for the role of senior independent director;
 - membership of audit and remuneration committees, and any other committees as appropriate, in consultation with the relevant committee chairperson;
 - 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 Group in the light of knowledge, skills and experience required;
 - the re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance Code or the retirement by rotation provisions in the relevant articles of association, having due regard to their performance and ability to continue to contribute to the Group in the light of the knowledge, skills, independence, experience and diversity required and the need for progressive refreshing of the Board or Subsidiary Board (particularly in relation to directors being re-elected for a term beyond six years);
 - 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 subject to the provisions of the law and their service contract; and
 - the appointment of any director to executive or other office;
- 10.14 keep under review the number of external directorships held by each director;
- 10.15 work and liaise as necessary with all other Board or Subsidiary Board committees; and
- 10.16 set measurable objectives for board diversity and prepare a policy on how to promote board diversity.

11. Reporting Responsibilities

- 11.1 The Chairperson shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3 The Committee shall produce a report to be included in the Company's annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. 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.
- 11.4 The report referred to in 11.3 above should 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.

12. Other Matters

The Committee shall:

- 12.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 12.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 12.3 give due consideration to relevant laws and regulations, the provisions of the Code and the requirements of the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate;

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- 12.4 at all times take care to minimise the risk of any conflict of interest within the Committee that might be seen to give rise to an unacceptable influence; and
- 12.5 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

13. Authority

- 13.1 The Committee is authorised to:
 - obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
 - seek any information it requires from any Employee in order to perform its duties.