

**INTERNATIONAL PERSONAL FINANCE plc**  
**(Company No. 60189733)**

**Terms of Reference of the Nominations and Governance Committee**

**Authority**

The Board of Directors (the “Board”) has established a committee known as the Nominations and Governance Committee (the “Committee”) to assist it in fulfilling its oversight and governance responsibilities in connection with the activity undertaken by International Personal Finance plc (the “Company”).

The Committee has the delegated authority of the Board in respect of the functions and powers set out in these Terms of Reference and is authorised by the Board to obtain, at the Company’s expense, outside legal or other professional advice on any matters within its Terms of Reference. In addition, it is authorised to obtain such information and to liaise with any functions or other Committees within the Company as may be required to carry out the duties set out in these Terms of Reference.

**Purpose**

The Committee’s purpose is to:

- (a) review the composition of the Board and lead the process on proposed appointments to the Board and senior management. The Committee shall make recommendations to the Board on this topic ensuring that both appointments and succession plans are based on merit and objective criteria and, within this context, promote diversity of gender, social and ethnic background, cognitive and personal strengths;
- (b) ensuring that the Board and its Committees consist of Directors with the appropriate balance of skills, experience, diversity, independence and knowledge to enable it to discharge its duties and responsibilities effectively; and
- (c) keep the Board’s governance arrangements under review and make appropriate recommendations to the Board to ensure that its arrangements are consistent with relevant corporate governance standards and best practice.

**Membership**

1. The Committee shall comprise at least three members, a majority of which shall be independent non-executive directors, including the Chair of the Board. The Chief Executive Officer (the “CEO”) shall also serve as a member of the Committee.
2. Appointments to the Committee are made by the Board on the recommendation of the Nominations & Governance Committee and shall be for an initial period of three years. This period of office may be extended for such duration as may be determined by the Board, as long as the member continues to meet the criteria for membership of the Committee.
3. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Legal Officer, the Chief Human Resources Officer and external advisers may be invited to attend for all or part of any meeting, as the Chair determines.

4. The Chair of the Board will be the Chair of the Committee. However, the Chair of the Board shall not chair the Committee when it is dealing with the matter of Chair succession. In this case, the remaining members present shall elect one of their number to chair the meeting.

### **Secretary**

1. The Company Secretary or their 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 the issues.
2. The Secretary shall produce minutes of each meeting which will be circulated to all members of the Committee after a meeting.

### **Quorum**

1. The quorum necessary for the transaction of business by the Committee shall be three members, provided that the majority are independent non-executive directors.

### **Meetings**

1. The Committee shall meet at least two times a year or otherwise as required.
2. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or any member of the Committee.
3. 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 five 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.
4. Formal decisions are passed by a simple majority vote, with the Chair of the Committee holding a casting vote in the event of a tie.

### **Duties**

The Committee, which shall carry out its duties for the Company and its subsidiaries from time to time, have the following responsibilities:

#### Board Effectiveness

1. Regularly review the structure, size, composition and effectiveness (including the skills, knowledge, experience and diversity) of the Board and recommend changes to the Board, as appropriate, with a view to ensuring the continued ability of the Company to be successful and deliver on its purpose.
2. Determine the methodology to review the effectiveness of the Board and its Committees on an annual basis.
3. Review the results of the annual Board effectiveness assessments and determine what actions should be taken to further enhance the effectiveness of the Board and its Committees.

4. Oversee progress against action plans addressing the results of the Board and Board Committee effectiveness review.
5. Determine arrangements for externally facilitated board effectiveness reviews, where required under the UK Corporate Governance Code.
6. Determine the Board training programme on an annual basis to ensure that Directors have access to appropriate training and development opportunities that support the work of Directors and the Board, including an induction programme for new members on joining the Board.

#### Succession Planning and Board Appointments

1. Recommend to the Board for approval, the appointment of the (i) Chair of the Board, (ii) the Senior Independent Director, (iii) the CEO, (iv) Directors (v) Executives, (vi) the Company Secretary (vii) the Chairs of the Audit and Risk and the Remuneration Committee, and (viii) the Head of Group Audit (following a recommendation from the Chair of the Audit and Risk Committee); and the Committee membership in consultation with the relevant Committee Chair. The membership of the Board's Committees will be reviewed every three years, or earlier if circumstances dictate.
2. Ensure plans are in place for orderly succession to Board and senior management positions and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.
3. 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 and the time commitment expected. In identifying suitable candidates, the Committee shall:
  - a. use open advertising or the services of external advisers to facilitate the search;
  - b. consider candidates from a wide range of backgrounds; and
  - c. consider candidates on merit and against objective criteria, having due regard to the benefits of diversity on the Board and taking care that appointees have enough time available to devote to the position.
4. Be responsible for identifying and nominating for the approval by the Board, candidates to fill Board vacancies as and when they arise.
5. Ensuring prior to the appointment of a director, the Committee receives details of their significant time commitments, any additional future commitments and any other business interests that may result in a conflict of interests and determines whether the proposed appointment should be recommended to the Board.
6. Approving, on behalf of the Board, the contractual terms for executive directors and non-executive directors and ensuring there are arrangements for liaison with the Remuneration Committee to ensure that the remuneration offered to newly appointed Directors are within the Company's Remuneration Policy framework.
7. Ensuring 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.

8. Making recommendations to the Board concerning the reappointment of non-executive directors 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 knowledge, skills and experience required.
9. Review the results of the board performance evaluation process that relate to the composition of the board and succession planning.

#### Director Oversight

1. Review the independence of directors annually to ensure that they continue to meet the independence requirements of the UK Corporate Governance Code (the "Code"), prior to review by the Board.
2. Determine, subject to ratification by the Board, any conflicts of interests relating to a director, that conflicts or possibly may conflict with the interests of the Company.
3. Assess whether the appointment of any director to another office should be approved.
4. Determine whether directors should be recommended to the Board for re-election, subject to shareholder approval, having due regard to their performance and ability, and why their contribution is important to the company's long term sustainable success the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board, taking into account the length of service of individual directors, the Chair and the Board as a whole.
5. Oversight of any matters relating to the continuation 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.
6. Review annually the time required from non-executive directors to effectively discharge their role.

#### Corporate governance

1. Keep the Board's governance arrangements under review and make appropriate recommendations to the Board to ensure that its arrangements are consistent with the relevant corporate governance standards and best practice.
2. Review annually (i) the Access to Independent Advice Policy, (ii) the Conflicts of Interest Policy (iii) the matters reserved to the Board.
3. Review reports on the gender balance of the executive and their direct reports.

#### Reporting

1. The Chair of the Committee shall report to the Board after each meeting on the nature and content of its discussions, recommendations, and actions to be taken.
2. Review and recommend to the **Board for approval**, the Directors' Report on Corporate Governance for inclusion in the Annual Report and Accounts, including a description of the Committee's work in line with the requirements of the Code.

3. The Chair of the Committee shall attend the annual general meeting of the Company and is available to answer any questions referred to him or her by the chair of the meeting.

Reviewing Committee Performance

1. To arrange annual assessments of Committee effectiveness and report the output of this activity to the Board.
2. To review periodically and, at least annually, these Terms of Reference to ensure the Committee is operating effectively and recommend any changes it considers necessary to the **Board for approval**.

Approved by the Board: xxxxx