

### Nomination committee – Terms of reference

Applicable to our regulated entities<sup>1</sup> and to Nucleus Financial Platforms Limited (as a) the UK parent entity of the FCA investment firm group<sup>2</sup> and b) the UK parent entity of other group subsidiaries below it) , and its subsidiary undertakings (together the "Group")

The nomination committee should carry out its duties for the Group as a whole (as appropriate) (8.1)

Adopted by resolution of the directors passed on 30 November 2022

---

<sup>1</sup> IPS Pensions Limited, James Hay Administration Company Limited, James Hay Wrap Managers Limited, Nucleus Financial Services Limited and The IPS Partnership plc

<sup>2</sup> Nucleus Financial Platforms Limited, James Hay Holdings Limited, IFG UK Group Holdings Limited, Nucleus Financial Limited, James Hay Wrap Managers Limited and Nucleus Financial Services Limited and James Hay Partnership Management Limited

## Nomination committee – Terms of Reference

### 1. Introduction

The principal purposes of these terms of reference are:

- 1.1 to give additional assurance regarding the approach taken by the Group to identify the knowledge, skills and experience required for the next stage in the Group's development;
- 1.2 to give additional assurance regarding the rigour and transparency of procedures used by the board for the appointment of new directors to the board and the appointment of executive management; and
- 1.3 to maximise the efficiency and effectiveness of our process for board and executive appointments and for determining the approach for the removal of any underperforming director or executive from the board or their executive position.

### 2. Membership

- 2.1 The nomination committee (the "**Committee**") shall be appointed by our board of directors (the "**Board**"). The Committee shall be made up of at least two non-executive directors (one of whom shall be independent) and at least 50% of Committee members shall not perform any executive function.
- 2.2 The Committee chair shall be appointed by the Board, subject to the consent of Plutus Topco Limited. In the absence of the Committee chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The chair of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship of the Board.
- 2.3 The company secretary or their nominee shall be 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 all issues.

### 3. Attendance at meetings

- 3.1 Only members of the Committee have the right to attend Committee meetings.
- 3.2 Other individuals, such as the chief executive officer, the chief finance officer and the chief people officer and other external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 3.3 The quorum necessary for the transaction of business at a Committee meeting shall be two members. A duly convened Committee meeting 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 Meetings are held as and when appropriate, but not less than two times per year. The chair and any Committee member may request a meeting if they consider that one is necessary or expedient.
- 4.2 A timetable of business is established once a year.

### 5. Notice of meetings

- 5.1 Committee meetings shall be called by the company secretary at the request of the chair or by a Committee member, the chief executive or chief people officer as appropriate.

- 5.2 Unless otherwise agreed, notice of each Committee meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each Committee member, any other person required to attend and all other non-executive directors and to each Institutional Director (with the meaning given to it in the Operating Agreement) and Plutus Topco Limited, no later than five working days before the date of the meeting or as soon as practicable. 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 recording the names of those present and in attendance.
- 6.2 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.3 Draft minutes of Committee meetings shall be circulated promptly to all Committee members, each Institutional Director and Plutus Topco Limited and, once agreed, minutes may, on request by the Board, be tabled at subsequent Board meetings.

## 7. Authority

- 7.1 The Committee is authorised by the Board to investigate any matter within its terms of reference and to seek any information it requires from any Group employee in order to perform its duties. All employees are directed to co-operate (if required, on a confidential basis) with any request made by the Committee.
- 7.2 The Committee is authorised by the Board, within the budget set by the Board, to obtain outside consultancy, legal or other professional advice on any matters within its terms of reference at the cost of the Group.
- 7.3 The Committee's terms of reference may be amended as required, subject to the approval of the Board and the consent of Plutus Topco Limited.

## 8. Duties

- 8.1 The Committee is a sub-committee of the Board and acts to assist the Board in fulfilling its oversight responsibilities of the Group. The Committee should carry out the duties below for the Group as a whole, as appropriate.
- 8.2 The Committee shall, in furtherance of the successful implementation of our strategy and effective risk management for the long term and with due regard to regulatory requirements and the Operating Agreement:
- 8.2.1 periodically and at least annually, review the structure, size, composition and performance (including the skills, knowledge, experience, independence and diversity) of the Board and make recommendations to the Board with regard to any changes (including ensuring any regulatory requirements are met);
  - 8.2.2 give full consideration to succession planning for directors and other executives (comprising senior manager function holders ("SMFs"), certified staff and our material risk taker population) in the course of its work, taking into account the challenges and opportunities facing the Group, regulatory requirements and the skills and expertise that are therefore needed on the Board in the future;
  - 8.2.3 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
  - 8.2.4 before an appointment is made by the Board, evaluate the balance of skills, knowledge, experience, independence 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. In identifying suitable candidates, the Committee shall:

- (i) use open advertising or the services of external advisers to facilitate the search;
  - (ii) consider candidates from a wide range of backgrounds;
  - (iii) consider candidates from the internal management pipeline;
  - (iv) consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the board, including gender; and
  - (v) with due regard to governance and regulatory requirements consider that appointees have enough time available to devote to the position;
- 8.2.5 keep under review the leadership needs of the Group, both executive and non-executive, the target operating model and organisational design with a view to ensuring the continued ability of the Group to compete effectively in the marketplace;
- 8.2.6 keep up to date and fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates;
- 8.2.7 review the results of any board effectiveness review that relate to the composition of the Board;
- 8.2.8 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;
- 8.2.9 review annually the performance appraisals (against statements of responsibility in respect of SMFs) and fitness and proprietary assessments of each of the non-executive directors (including those that are SMFs) as well as for senior managers (SMFs, certified staff and material risk takers);
- 8.2.10 for the appointment of a chair, the Committee should prepare a job specification, including the time commitment expected. A proposed chair's other significant commitments should be disclosed to the Board before appointment and any changes to the chair's commitments should be reported to the Board as they arise;
- 8.2.11 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 would result in a conflict of interest;
- 8.2.12 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 of Board meetings; and
- 8.2.13 review management reports on key appointments and leavers (covering at least SMF, certified staff and material risk takers) within the Group.
- 8.3 The Committee shall also make recommendations to the Board concerning:
  - 8.3.1 any changes to our diversity and inclusion policy;
  - 8.3.2 formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chair of the Board and chief executive officer;
  - 8.3.3 membership of the audit, risk and remuneration committees, and any other Board committees as appropriate, in consultation with the chairs of those committees;
  - 8.3.4 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, independence and experience required;

- 8.3.5 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 Group, subject to the provisions of the law and their employment contract;
- 8.3.6 the appointment to and resignation of any director or SMF from executive or other office; and
- 8.3.7 any changes to the management responsibilities map, to any SMF statement of responsibility or other associated changes to the organisational structure.

## 9. Reporting procedures

- 9.1 The Committee chair shall report formally to the Board on the proceedings of the Committee after each meeting and on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate in any area within its remit where action or improvement is needed.

## 10. Other matters

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 10.2 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;
- 10.3 give due consideration to the FCA Handbook Rules and any other laws and regulations and associated guidance (so far as is considered relevant and applicable to the Group); and
- 10.4 periodically review its own performance, constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.