



# CORPORATE GOVERNANCE COMMITTEE

## TERMS OF REFERENCE

### 1. Composition and Procedure

- a) The Corporate Governance Committee shall consist of a minimum of two members, comprising a Chairman and at least one other member. The Corporate Governance Committee shall be appointed by the Board will typically comprise of:-

Non-executive Chairman	Chairman of the Committee
Chief Executive	
MD Networks	As holder of CF8 controlled function for Financial Ltd
MD Asset Management	As holder of CF8 controlled function for Investments Ltd
Company Secretary	Secretary to the Committee

- b) In the absence of the Corporate Governance Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the Meeting.
- c) The Corporate Governance Committee shall appoint a secretary to act as the Secretary of the Corporate Governance Committee.
- d) The quorum for the transaction of business shall be two members. A duly convened meeting of the Corporate Governance 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 Corporate Governance Committee.
- e) The Corporate Governance Committee shall meet not less than once a year and at such other times as the Corporate Governance Committee Chairman shall require. Meetings of the Corporate Governance Committee may be held by telephone.
- f) Any member of the Corporate Governance Committee may request that a meeting be convened by the Secretary of the Corporate Governance Committee.
- g) Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and any supporting papers, shall be forwarded to each member of the Corporate Governance Committee, any other person required to attend and all other non-executive Directors, no fewer than five business days prior to the date of the meeting.
- h) The Secretary shall minute the proceedings and resolutions of all meetings of the Corporate Governance Committee.
- i) Minutes of Corporate Governance Committee meetings shall be circulated promptly to all members of the Board.

- j) Other Directors may be requested to attend or shall be able to speak at meetings by prior arrangement with the Corporate Governance Committee Chairman.
- k) The corporate governance of non-executive Directors shall be a matter for the executive Directors of the Board. No Director or manager may be involved in any decision as to his/her corporate Governance.

## **2. Annual General Meeting**

The Corporate Governance Committee Chairman shall attend each annual general meeting of the Company prepared to respond to any shareholder questions on the Corporate Governance Committee's activities.

## **3. Duties**

The Corporate Governance Committee shall keep the effectiveness of the corporate governance and system of internal non financial controls of Standard Financial Ltd, Financial Ltd, Investments Ltd, IFA Compliance Ltd, Financial Protection Network Ltd and Financial Private Clients Ltd under regular review.

It may also make recommendations to the Board:

- a) detailing items that should be published in the company's Annual Report relating to the activities of the Committee;
- b) with regard to the membership and chairmanship of the Audit Committee; and
- c) On the corporate governance and system of internal controls of the Company and its affiliates.
- d) To ensure there is a training strategy developed for raising awareness and understanding of the responsibilities for Corporate Governance of managers, staff and the Board.
- e) To facilitate compliance with external organisational governance standards; good practice guidance; and legislation.
- f) To make sure that appropriate monitoring systems are in place to ensure compliance against the relevant internal controls systems, processes and policies, and in particular to monitor the implementation of the Group's plans to maintain high compliance with its own risk management standards.
- g) To receive reports on, and establish a review for the investigation of serious incidents and provide recommendations to the Board on any action required to reduce or eliminate future incidents.
- h) To ensure the effectiveness of all committees/working groups with accountability to the Corporate Governance Committee, including the production of relevant minutes, plans, reports and other documentation.
- i) To monitor attendance at each meeting, so that the Chair can initiate action in the event that a member fails to attend more than three consecutive meetings without good reason and without providing an appropriate deputy. To provide an Annual Report to the Board providing positive assurance that the Committee has met its terms of reference and key duties.

All decisions and recommendations of the Corporate Governance Committee in respect of Directors' corporate Governance shall be referred to the Board and shall take effect only upon approval thereof by resolution of the Board at a meeting which is properly convened and constituted in accordance with the Company's Articles of Association, provided that the Board shall only have the power to approve or reject the decisions of the corporate Governance Committee, but that no Director shall be entitled to vote or be counted in the quorum in respect of any resolution relating to his own corporate Governance.

#### **4. Authority**

The Corporate Governance Committee is authorised by the Board:-

- a) to seek any information it requires from any employee, consultant and other provider of services to the Company (for example, solicitors, tax advisers, management consultants) in order to perform its duties;
- b) to obtain, at the cost of the Company, such outside legal or other independent professional advice as the Corporate Governance Committee shall consider, in its discretion, to be appropriate to the exercise of its powers and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The Corporate Governance Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.