

**Close Brothers Group plc  
(the “Company”)**

**Responsibilities of the Chairman, Group Chief Executive and Senior  
Independent Director**

This document sets out the role and key responsibilities of the Chairman, Group Chief Executive and Senior Independent Director. It is periodically reviewed and approved by the Company’s Board of Directors (the “**Board**”).

**Responsibilities of the Chairman**

The role of Chairman is distinct and separate from that of the Group Chief Executive and there is a clear division of responsibility, with the Chairman leading the Board and the Group Chief Executive managing the Group’s business day-to-day.

The Chairman is responsible for the leadership and overall effectiveness of the Board. The Chairman’s role is to ensure that the Board as a whole is able to operate efficiently and to promote effective decision-making, challenge of executive management and constructive debate, including by facilitating contributions and engagement from all members of the Board. The Chairman sets the Board’s agenda and ensures that adequate time is available for discussion of all agenda items, including strategic and forward-looking issues.

The Chairman seeks regular engagement with the Group’s major shareholders in order to understand their views, among other things, on governance and performance against strategy. The Chairman is required to ensure that the Board as a whole has a clear understanding of the views of shareholders.

The specific responsibilities of the Chairman include:

- chairing meetings of the Board and general meetings of the Company
- ensuring, with the assistance of the Company Secretary, that the Board receives accurate, high quality and clear information on a timely basis
- ensuring that the Board and its Committees are structured effectively and observe the highest standards of integrity
- responsibility for leading the development of the Group’s culture by the Board as a whole, and ensuring that the Board effectively sets the ‘tone from the top’ in terms of values and culture
- acting as chairman of the Nomination & Governance Committee and taking responsibility for Board succession planning, both in relation to executive and non-executive members, which recognises the current and future needs of the Group
- conducting the annual performance evaluation of the Group Chief Executive and non-executive directors, and reviewing and agreeing with them their individual training and development needs
- responsibility for leading the development, and monitoring the effective implementation, of policies and procedures for the induction, training and professional development of all members of the Board
- responsibility for safeguarding the independence and performance of the Group’s Compliance function in accordance with SYSC 6.1
- responsibility for the Group’s performance of its obligations under Fitness and Propriety in respect of its notified non-executive directors

- establishing a close relationship of trust with the Group Chief Executive, providing support and advice, whilst respecting executive responsibility
- leading the Board in the monitoring and evaluation of its performance and effectiveness, and ensuring that the Board acts on the results
- promoting high standards of corporate governance, seeking compliance with the UK Corporate Governance Code and, if full compliance is not possible, ensuring that the reasons for non-compliance are explained to shareholders
- making sure directors are aware of and able to discharge their duties to the Company
- ensuring the Directors understand the views of the Company's shareholders and other key stakeholders so they can consider them, and the s.172 factors, in Board discussions and decision making
- representing the Group externally, as may be required.

### **Responsibilities of the Group Chief Executive**

The Group Chief Executive is responsible for all aspects of the performance and day-to-day management of the Group in accordance with the objectives and limits defined by the Board, and is accountable to the Board. The Group Chief Executive develops and proposes to the Board the strategy of the Group, and is responsible for coordinating all activities to ensure the effective execution of that strategy.

The specific responsibilities of the Group Chief Executive include:

- providing effective and coherent executive leadership of the Group, and leading the communication of matters affecting the Group both internally and externally, including representing the Group to key stakeholders, including shareholders, regulators, customers and clients, employees and the wider community
- ensuring effective implementation of Board decisions and actions
- consultation with the Chairman and the Board on matters which have a material impact on the Group, and engaging in open and transparent dialogue and debate with non-executive members of the Board
- ensuring that management fulfils its obligation to provide Board members with accurate, timely and clear information that will enable the Board to discharge its duties, and the necessary resources for developing and updating their knowledge and capabilities (including access that may be required to the Group's operations and employees)
- building and developing a high quality senior management team to meet the growing and evolving needs of the Group's business
- leading the executive directors and the senior management team in the day-to-day running of the Group, including chairing the Group Executive Committee, the forum that exercises management oversight of the Group
- appointing and setting the roles and responsibilities of Group Executive Committee members, setting performance objectives, keeping their performance under review (including reviewing and agreeing with them their individual training and development needs) and managing effective succession planning for senior management
- ensuring that appropriate reward and incentive structures are in place to motivate key employees which closely align them with the success of the Group's strategy
- with the support of the Group Chief Risk Officer, managing the Group's risk exposures and profile, in accordance with the risk appetite and relevant policies set by the Risk Committee and/or the Board, and ensuring that appropriate systems, controls and

frameworks appropriate to the business are established and maintained throughout the Group

- responsibility for the firm's performance of its obligations under the senior management regime overseen by the PRA
- responsibility for the firm's performance of its obligations under the employee certification regime overseen by the PRA
- responsibility for the allocation of all prescribed responsibilities
- responsibility for monitoring the effective implementation of policies and procedures for the induction, training and professional development of all persons performing designated senior management functions on behalf of the firm, other than members of the Board
- responsibility for overseeing the adoption of the Group's culture and values in the day-to-day management of the Group
- responsibility for the development and maintenance of the Group's business model by the governing body
- ensuring that the Group follows the principles of good corporate governance as set out in the UK Corporate Governance Code and the rules of the PRA and FCA.

### **Responsibilities of the Senior Independent Director**

The main responsibilities of the Senior Independent Director are to provide a sounding board for the Chairman and to serve as an intermediary for the other directors and shareholders. The Senior Independent Director is expected to work with the Chairman and other directors, and/or shareholders, as necessary to resolve any significant issues that might arise.

In addition to other channels for shareholder communication, the Senior Independent Director is available to discuss any issues or concerns that shareholders may have, including in relation to matters which are not appropriate for resolution through the normal channels or which have not been resolved through those channels.

At least annually, the Senior Independent Director leads meetings of the non-executive directors, without the Chairman present, to appraise the Chairman's performance and then communicates the results of that appraisal to the Chairman.

It is the responsibility of the Senior Independent Director to chair the Nomination & Governance Committee when it is considering the succession to the role of Chairman, and to lead an orderly succession process on behalf of the Board.

The Senior Independent Director chairs meetings of the Board in the absence of the Chairman.

**Approved by the Board of Close Brothers Group plc  
July 2019**