Manx Financial Group

NOMINATION COMMITTEE

Terms of Reference

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Glossary

Committee	Nomination Committee
Company	Manx Financial Group PLC
Direct Subsidiary Board(s)	The Boards of the direct subsidiaries of Manx Financial Group PLC
Group	Manx Financial Group PLC and all subsidiary companies
MFG Board	The Board of Directors of Manx Financial Group PLC

1. Membership

1.1 Members of the Committee shall be appointed by the MFG Board. The Committee shall be made up of at least 3 members.

1.2 All members of the Committee have the right to attend Committee meetings. However, other individuals may be invited by the Chair of the Committee to attend for all or part of any meeting as and when appropriate.

1.3 The MFG Board shall appoint the Chair of the Committee who should either be the Chair of the MFG Board or an independent non-executive director. In the absence of the Chair of the Committee and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Chair of the MFG Board shall not chair the Committee when it is dealing with the matter of succession to the role of the Chair.

2. Secretary

2.1 The Company Secretary of the Company or his or 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.

3. Quorum

3.1 The quorum necessary for the transaction of business shall be 2 members. A duly convened meeting of the 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 Committee. Committee members may attend by telephone.

3.2 The Committee may approve matters by written resolution, provided that the resolution is circulated to, and signed by all members of the Committee.

4. Frequency of Meetings

4.1 The Committee shall meet at least twice a year and at such other times as the Chair of the Committee shall require.

5. Notice of Meetings

5.1 Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its members.

5.2 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 and any other person required to attend no later than 5 working days before the date of the meeting.

6. Minutes of Meetings

6.1 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

6.2 The secretary shall record any conflicts of interest divulged at the meeting.

6.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee.

7. Annual General Meeting

7.1 The Chair of the Committee shall attend the Company's Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

8. Duties

8.1 The Committee shall:

(i) Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) required of the MFG Board and Direct Subsidiary Boards compared to their current position.and make recommendations to the MFG Board and Direct Subsidiary Board. Recommendations relating to a Direct Subsidiary Board will also require approval by the MFG Board

(ii) 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 what skills and expertise are therefore needed on the MFG Board and Direct Subsidiary Boards in the future.

(iii) Keep under review the leadership needs of the Group, both executive and non-executive with a view to ensuring the continued ability of the Group to compete effectively.

(iv) Keep up to date and fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates.

(v) Be responsible for identifying and nominating candidates to fill vacancies on the MFG Board and Direct Subsidiary Boards as and when they arise and making recommendations to the relevant board. Any recommendations being made to a Direct Subsidiary Board will also require approval by the MFG Board.

(vi) Before any appointment is approved by the MFG Board or the relevant Direct Subsidiary Board, evaluate the balance of skills, knowledge and experience on the relevant board and, in light of this evaluation, prepare a description of the role and capabilities required for the appointment. 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.

c. Consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position.

(vii) For the appointment of a Chair of the MFG Board or a Direct Subsidiary Board where an independent non-executive director is deemed necessary, the Committee should prepare a job specification, including the time commitment expected. A proposed Chair's other significant commitments should be disclosed to the MFG Board and Direct Subsidiary Board. Any appointment of a Chair to a Direct Subsidiary Board will also require approval by the MFG Board. Any subsequent changes to a Chair's commitments should be reported to the relevant board as they arise.

(viii) Prior to the appointment of a director to the MFG Board or Direct Subsidiary Boards, 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.

(ix) Ensure that on appointment to the MFG Board or Direct Subsidiary Boards, 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.

(x) Review the results of board performance evaluations that relate to the composition of the MFG Board.

(xi) Review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executives are spending enough time fulfilling their duties.

8.2 The Committee shall also make recommendations to the MFG Board and, where applicable, to the relevant Direct Subsidiary Board concerning:

(i) Formulating plans for succession for both executive and non-executive directors and, in particular, for the key roles of Chair and chief executive of the Board and Direct Subsidiary Boards.

(ii) Suitable candidates for the role of senior independent director of the Board, if appointed.

(iii) Membership of the Group Audit, Risk and Compliance and Remuneration committees, in consultation with the Chair of those committees.

(iv) The re-appointment of any non-executive director of the MFG Board or a Direct Subsidiary Board at the conclusion of their specified term of office, having given due regard to their performance and ability to continue to contribute to the relevant board in light of the knowledge, skills and experience required. Any appointment to a Direct Subsidiary Board will also require approval by the MFG Board.

(v) Any matters relating to the continuation in office of any director of the MFG Board or Direct Subsidiary Boards at any time including the suspension or termination or service of an executive director as an employee of the Group subject to the provisions of the law and their service contract.

(vi) The appointment of any director to an executive or other office. Any appointment to a Direct Subsidiary Board will also require approval by the MFG Board.

9. Reporting Responsibilities

9.1 The Chair of the Committee shall report formally to the MFG Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9.2 The Committee shall:

(i) Make whatever recommendations to the MFG Board it deems appropriate on any area within its remit where action or improvement is needed.

(ii) Make a statement in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

(iii) Make these Terms of Reference available to shareholders by placing them on the Company's website.

10. Other

10.1 The Committee shall:

(i) Have access to, sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.

(ii) 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.

(iii) Give due consideration to laws and regulations and the provisions of The QCA Corporate Governance Code, the Isle of Man FSA Corporate Governance Guidance Notes, the Isle of Man FSA and UK FCA Regulations and the requirements of the UK Listing Authority's Listing Rules, as appropriate.

(iv) 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

11. Authority

11.1 The Committee is authorised to:

(i) Seek any information it requires from any employee of the Group in order to perform its duties.

(ii) Obtain, at the Company's expense, outside legal or other professional advice on any matters within its Terms of Reference.

(iii) Subject to the constitutional documents of the Company to determine its own procedures. The frequency and timing of meetings will differ according to the needs of the Company.