

# Disclosure Committee

## Terms of Reference

### 1 Constitution

- 1.1 The Disclosure Committee (**Committee**) was constituted at a full meeting of the board of directors (**Board**) of AJ Bell plc (**Company**) held on 17 May 2018 in accordance with the articles of association of the Company.
- 1.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference
- 1.3 The Committee has been established in connection with a proposed initial public offering of the ordinary shares of the Company (**Shares**) and the admission of the Shares to the Official List of the United Kingdom Listing Authority and to trading on the London Stock Exchange (**Offer**).
- 1.4 The FCA's Listing Rules and Disclosure Guidance and Transparency Rules require the disclosure in a prescribed manner, as soon as possible, of any inside information directly concerning a listed company, unless an exemption from disclosure is available.
- 1.5 The FCA's Listing Rules also require a company to take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations under the Listing Rules and the Disclosure Guidance and Transparency Rules.

### 2 Role

- 2.1 The Committee has been established for the purpose of:
  - 2.1.1 prior to completion of the Offer, overseeing compliance by the Company with the publicity guidelines which restrict communications in connection with the Offer until the later of (i) 40 calendar days after the closing date of the Offer (including the exercise of any over-allotment or "greenshoe" option) and (ii) completion of the distribution of Shares, as notified to the Company by Numis Securities Limited; and
  - 2.1.2 after completion of the Offer, overseeing compliance of the Company with its obligations under the Listing Rules and the Disclosure Guidance and Transparency Rules and the implementation of the governance procedures associated with the assessment, control and

disclosure of Inside Information (as defined in article 7 of the Market Abuse Regulation (Regulation 596/2014)) (**MAR**), a copy of which is set out in appendix I, in relation to the Company.

### 3 Duties and terms of reference

#### Principle Duties

- 3.1 The principle duties of the Committee are to:
  - 3.1.1 identify Inside Information;
  - 3.1.2 identify information which may potentially become Inside Information (**Confidential Information**);
  - 3.1.3 ensure that access to confidential information and Inside Information is controlled and that confidential lists are maintained in accordance with MAR;
  - 3.1.4 determine whether Inside Information should be announced or whether disclosure can be delayed to protect the Group's legitimate interests;
  - 3.1.5 keep appropriate records relating to any decision to delay disclosure of Inside Information in accordance with the MAR; and
  - 3.1.6 perform the other duties referred to in clause 3.10 below.

#### Delaying disclosure of Inside Information

- 3.2 The Company is allowed to delay disclosure of Inside Information provided that all of the following conditions are met:
  - 3.2.1 immediate disclosure is likely to prejudice the legitimate interests of the Company;
  - 3.2.2 delay of disclosure is not likely to mislead the public; and
  - 3.2.3 the Company is able to ensure the confidentiality of that information.
- 3.3 The Committee must make an informed assessment, on advice from internal and external advisers (as appropriate) on whether the information is Inside Information and then evaluate whether the above conditions are met to permit delayed disclosure. If the

conditions are not met, the Company must prepare a holding announcement for immediate release if the confidentiality of that Inside Information can no longer be ensured. The Company must monitor satisfaction of the conditions on an ongoing basis.

#### Market soundings

3.4 In certain limited circumstances described in article 11 of MAR, the Company is permitted to selectively disclose Inside Information prior to announcement of the information to the market. The Committee will make an informed assessment (taking advice from internal and external advisers (as appropriate)) as to whether selective disclosure is justified (for example, to seek shareholder support and/or bank financing for a major transaction) and ensure that it is undertaken in compliance with applicable regulation including that recipients are bound by a duty of confidentiality.

#### Control of confidential and Inside Information

3.5 Confidential or Inside Information must not be communicated to anyone not on the confidential or insider list without prior approval from the Company secretary.

3.6 The Committee will oversee the control framework for managing flows of confidential or Inside Information within the Group.

#### Record keeping requirements

3.7 Record-keeping requirements must be in accordance with MAR, for example, records must be kept of the time and date that Confidential Information crystallises into Inside Information.

#### Responsibility of the Board

3.8 The Board shall retain ultimate responsibility for the Company's compliance with its disclosure obligations and the Committee shall refer any matters to the Board that it considers are appropriate for full Board review. The Board shall consider any matter referred to it provided that there is sufficient time to convene a Board meeting. If there is insufficient time to convene a Board meeting, but there is sufficient time to consult with the chair of the Board, the chair of the Board may consider any matter which would otherwise have been referred to the Board by the Committee.

3.9 The Committee will report regularly to the Board providing a summary of its meetings and key decisions, to provide the Board with assurance that it is effectively discharging its duties.

#### Ongoing tasks

3.10 The following tasks shall be performed by the Committee on an on-going basis:

3.10.1 if it is decided that an announcement, including a trading update, relating to Inside Information is to be made by the Company to the market:

a) supervise the preparation of the announcement;

- b) oversee the verification process (if considered appropriate) to be undertaken in respect of the contents of the announcement;
- c) review and amend, where appropriate, the text of the announcement to avoid any inaccurate or misleading statements being made to the market; and
- d) approve such announcement (unless the announcement has already been approved by the Board and such approval shall be required for trading updates and other planned announcements)

3.10.2 if other action is appropriate, for example, to agree a delay in announcing the information, to prepare a holding announcement or seek a suspension from listing pending clarification of uncertainties, decide to take that action;

3.10.3 liaise with external advisers, in particular the Company's corporate brokers and legal advisers, where appropriate, to determine whether an announcement is required and the content of that announcement;

3.10.4 review and amend as necessary all communications to employees, shareholders and other stakeholders in relation to matters that fall within the remit of the Committee;

3.10.5 where there is press speculation or market rumour regarding the Company, to carefully assess whether the market rumours and press speculation have given rise to a situation where the Company has Inside Information and decide whether any response or announcement is required;

3.10.6 where an issue or event has been escalated to the Committee regarding the on-going developments in, or changes to, the business of the Group (including reviewing internal management information), the Committee will determine whether any disclosures need to be made or any disclosures previously made by the Company need to be updated, such as any profit forecasts or estimates;

3.10.7 ensure compliance by the Company with all record-keeping requirements under the MAR;

3.10.8 carry out all such actions as are considered by the Committee to be required in order for the Committee to operate effectively.

3.11 The Committee may delegate these tasks as it thinks necessary.

#### Reporting responsibilities

3.12 The chair will report to the Board at each Board meeting describing the high level workings of the Committee during the period since the last report.

## 4 Membership

- 4.1 The members of the Committee, including alternate members, shall be appointed by the chief executive officer under delegated authority from the Board. The members of the Committee, including alternate members for members of the executive management board (EMB), will be comprised of members of the EMB and the chair of the Audit Committee. The initial members of the Committee shall be:
  - 4.1.1 chair of the Audit Committee;
  - 4.1.2 the chief executive officer;
  - 4.1.3 the chief finance officer;
  - 4.1.4 the group legal services director.
- 4.2 The chair of the audit committee shall be the chair of the Committee. In the absence of the chair of the audit committee, the chief executive officer may act as Chair.
- 4.3 The alternate members for the initial members shall be:
  - 4.3.1 subject to clause 3.6, the group finance director shall be the alternate for the chief finance officer and chief executive officer; and
  - 4.3.2 the chief risk officer shall be the alternate for the group legal services director.
- 4.4 In the absence of the member for whom they are appointed as the alternate, an alternate member may:
  - 4.4.1 exercise that member's powers; and
  - 4.4.2 carry out that member's responsibilities,in relation to the taking of decisions by the Committee.
- 4.5 An alternate member cannot act as an alternate for more than one member at the same time.
- 4.6 The Company secretary, or his or her nominee, shall act as the secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

## 5 Attendance at meetings

- 5.1 The Committee will meet as often as is necessary in order to discharge its duties.
- 5.2 Only members of the Committee have the right to attend meetings, but other members of the Board or the EMB and other senior management may be invited to attend all or part of any meeting at the discretion of the chair. The head of investor relations and public relations director will ordinarily be invited to attend meetings.
- 5.3 External advisers, in particular the Company's corporate brokers and legal advisers, may be invited to attend all or part of any meeting at the discretion of the chair.
- 5.4 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

- 5.5 Meetings of the Committee may be conducted when the members are physically present together or in the form of either video or audio conferences.

## 6 Notice of meetings

- 6.1 Meetings of the Committee shall be called by the Company secretary at the request of any of its members.
- 6.2 Due to the nature of the Committee's duties, it may be necessary to call meetings upon very short notice, so there is no minimum period of notice that must be given for a meeting to be properly called. Wherever practicable, any supporting papers will be sent to each member of the Committee in advance of the meeting.
- 6.3 The Committee may send notices, agendas and supporting papers in electronic form where the recipient has agreed to receive documents in such a way.

## 7 Quorum

- 7.1 A quorum shall be any two members of the Committee provided either the chief executive officer or chief finance officer is present in person and not by an alternate. The members of the Committee, including alternate members, can be varied at any time by the chief executive officer.
- 7.2 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.

## 8 Voting arrangements

- 8.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee (whether in person or by audio or video conference).
- 8.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting. For the avoidance of doubt, the holding of shares in the Company shall not be deemed to give rise to a personal interest.
- 8.3 Decisions shall be taken on a majority basis. The chair of the Committee will not have a casting vote. In the event of deadlock, except where he or she has a personal interest, the chief executive officer shall have a casting vote.

## 9 Minutes of meetings

- 9.1 The Company secretary, or his or her nominee, is responsible for keeping records of all meetings of the Committee, material discussions and key decision made, together with copies of all announcements made to the market regarding Inside Information, copies of any advice received and allocation of responsibilities. For the avoidance of doubt, the Committee shall not be required to maintain a word for word record of all meetings.
- 9.2 Draft minutes of Committee meetings shall be agreed with the Committee chair and then be circulated promptly to all Committee members, unless in the Committee chair's opinion it would be inappropriate to do so. Once approved, minutes shall be circulated to all other Board members unless in Committee chair's opinion it would be inappropriate to do so.
- 9.3 The minutes of each meeting will be made available to the EMB upon request as a formal record of the decisions of the Committee unless in the Committee chair's opinion it would be inappropriate to do so.
- 9.4 A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

## 10 Reporting responsibilities

The Committee shall:

- 10.1 Report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and the minutes of all Committee meetings shall, unless in Committee chair's opinion it would be inappropriate to do so, be included in the Board papers for a subsequent board meeting.
- 10.2 Make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

## 11 General matters

- 11.1 The chair of the Committee shall provide an annual report to the Board and EMB on the Committee's work during the preceding year.
- 11.2 The Company secretary is authorised to make non-material changes to these terms of reference, to be effective immediately and ratified at a subsequent meeting of the Board.
- 11.3 The Committee will review its own effectiveness once a year and the chair of the Committee will report the outcome to the Board.

## 12 Authority

The Board authorises the Committee to:

- 12.1 Carry out all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, appropriate professional advice on any matter within its terms of reference as it considers necessary.
- 12.2 Seek any information it requires from any employee or director of the Company or any of its subsidiaries to perform its duties.
- 12.3 Secure the attendance of external advisers at its meetings if it considers this necessary, at the Company's expense.

Adopted at the Board meeting of the Company on 18 October 2018.