

**NCL INVESTMENTS LIMITED****SMITH & WILLIAMSON INVESTMENT SERVICES LIMITED****SMITH & WILLIAMSON INVESTMENT MANAGEMENT LLP****SMITH & WILLIAMSON CORPORATE FINANCE LIMITED****SMITH & WILLIAMSON FINANCIAL SERVICES LIMITED****CORPORATE GOVERNANCE ARRANGEMENTS**

This statement, which is provided in compliance with the Financial Conduct Authority SYSC rule book and, in particular, SYSC 4.3, should be read in conjunction with the corporate governance report set out in the 2018 report and financial statements of Smith & Williamson Holdings Limited, which are available on this website.

The boards of each of the entities above consider, on at least an annual basis, the governance arrangements of the Group, ensuring that they are appropriate, bearing in mind the nature, scale and complexity of the Group. They receive reports on a regular basis from the Group's human resources function and an appointments committee, which is comprised of senior executives within the Group and the Group's non-executive chairman with powers delegated from the boards, to consider the appointment of senior personnel in the light of their skills, knowledge and expertise.

Regular reports are considered by the boards from the Legal, Compliance and Risk functions and material changes to existing procedures are presented to the boards for their approval as are all new policies and procedures. The boards also receive reports from IT and Facilities regarding the resources available to the firms.

The product and services oversight committee, with powers delegated by the boards, considers and agrees new products and services to be offered by the Group, periodically reviews the product governance policy and has in place a programme to review existing products and services to ensure that they remain appropriate. New products and services are assessed against a number of criteria, including the Group's risk appetite and the needs of clients.

The nominations committee, which comprises non-executive directors with powers delegated by the boards, considers and recommends the appointment of individuals to the boards. Executive search firms are engaged to provide a list of suitable candidates on each occasion, once a description of the roles and capabilities for a particular vacancy has been agreed by executive management and the chairman of the committee. Such candidates are assessed against a number of criteria, including the board diversity policy which is agreed on an annual basis and the ability of the individual to undertake the role for which they are being recommended. Each director, on appointment, is provided with a full and tailored induction which is agreed by the chairman of the nominations committee and the relevant individual, and is offered further development opportunities on a regular basis. The nominations committee receives an annual report on the fitness and propriety of each board member to continue in that role.

The terms of reference of the nominations committee, which are approved by the boards, task the committee to review on a regular basis the structure, size and composition (including the diversity,

knowledge, skills and experience of individual members of the Boards and of the Boards collectively) and make recommendations to the Boards. It is also able to review on a regular basis the leadership needs of the Group, both Executive and Non-Executive, to ensure the continued ability of the Group to compete effectively in the marketplace.