

# NICHOLAS FINANCIAL, INC.

## CHARTER OF THE NOMINATING/CORPORATE GOVERNANCE COMMITTEE

### 1. Purpose

The purpose of the Nominating/Corporate Governance Committee (the “Committee”) of Nicholas Financial, Inc. (the “Company”) is:

1.1 To take a leadership role in shaping the corporate governance policies of the Company, including by developing and recommending to the Board of Directors (the “Board”), as it deems necessary, a set of corporate governance principles applicable to the Company;

1.2 To identify and select individuals qualified to become Board members in a manner that is consistent with criteria approved by the Board;

1.3 To recommend that the Board select the Director nominees for the next annual meeting of shareholders; and

1.4 To oversee the evaluation of the Board and management.

### 2. Composition

2.1 **Number of Committee Members.** The Committee shall be comprised of not fewer than two (2) members of the Board, as shall be determined from time to time by the Board. The members of the Committee shall be appointed by the Board annually (or as necessary to fill vacancies).

2.2 **Term.** Each member shall serve until his or her successor is duly elected and qualified or until such member’s earlier death, resignation or removal. The Board may remove any member of the Committee, with or without cause, by a majority vote of the Board.

2.3 **Chair of the Committee.** The Board shall designate the Chair of the Committee. In the absence of such Chair, the Committee’s members may designate the Chair by majority vote of the full Committee membership.

2.4 **Independence.** Each Committee member shall qualify as “independent” as defined by any applicable law, regulation and/or listing standard.

### 3. Subcommittees.

The Committee may, by resolution passed by a majority of its members, designate one or more subcommittees, each subcommittee to consist of two (2) or more Committee members. Any such subcommittee to the extent provided in the Committee’s resolutions and to the extent not limited by applicable law or listing standard, shall have and may exercise all the powers and authority of the Committee subject to the terms of its appointment. The Committee will name each subcommittee. Each subcommittee shall keep regular minutes of its meeting and report

them to the Committee when required. The Committee shall not delegate any power or authority required by law, regulations or The Nasdaq Stock Market LLC (“NASDAQ”) or other applicable listing standards to be exercised by the Committee as a whole.

#### **4. Meetings**

The Committee shall meet at least annually, or more frequently as circumstances dictate. The secretary of the Committee shall maintain minutes or other records of meetings and activities of the Committee in accordance with applicable law and the Company’s Bylaws or equivalent organizational document, as may be amended and/or restated. Each regularly scheduled session shall conclude with an executive session of the Committee absent members of management and on such terms and conditions as the Committee may elect.

#### **5. Responsibilities And Authority**

The Committee shall have the following responsibilities and authority:

##### **5.1 Corporate Governance**

(a) The Committee shall develop and recommend to the Board as it deems necessary a set of corporate principles appropriate for the Company and consistent with applicable laws, regulations and listing standards.

(b) The Committee shall periodically review the corporate governance principles, and make recommendations to the Board regarding any amendments thereto as in its judgment may be appropriate.

(c) The Committee shall review, on an on-going basis, all related-party transactions that, if consummated, would be required to be disclosed pursuant to Securities and Exchange Commission (“SEC”) Regulation S-K, Item 404 for potential conflicts of interest.

##### **5.2 Board and Committee Membership**

(a) At least annually, the Committee shall assess the size and composition of the Board in light of the operating requirements of the Company and the then-current makeup of the Board.

(b) The Committee shall develop criteria for membership on the Board and all Board committees, taking into account all factors it considers appropriate in the context of the perceived needs of the Board or applicable Committee, which may include diversity, age, background and training, business or administrative experience and skills, dedication and commitment, business judgment, analytical skills, problem-solving abilities and familiarity with regulatory environment.

(c) The Committee shall make recommendations to the Board regarding membership on committees, taking into account (i) a prospective candidate’s independence, (ii) the other qualifications set forth in this Charter and such committees’ respective charters, (iii) the needs of each committee, (iv) the desires of individual directors, (v) the suggestions of the Chief

Executive Officer (“CEO”)<sup>1</sup> and the Chairman, if the Chairman is not the CEO, and (vi) other applicable requirements the rules and regulations of NASDAQ and the SEC.

(d) The Committee shall monitor compliance with the Board and Board committee membership criteria, including on-going compliance with respect to director independence requirements, and assist the Board in making any necessary independence determination. Notwithstanding the foregoing, it shall be the responsibility of the full Board to monitor compliance with membership criteria and independence, and to make independence determinations, with respect to members of this Committee.

(e) The Committee shall coordinate and assist management and the Board in recruiting new members to the Board. Annually, the Committee shall make recommendations for the nomination of director candidates, including whether existing members of the Board should stand for re-election.

(f) The Committee shall investigate and consider suggestions for candidates for membership on the Board, including shareholder nominations for the Board, provided, in the case of shareholder nominations, that such nominations are made in compliance with the Company’s Bylaws or equivalent organizational document, SEC rules and other applicable law. The Committee may request additional information regarding any prospective candidate as it deems necessary.

(g) In consultation with the CEO, the Chairman and the full Board, as appropriate, the Committee shall search for, recruit, screen, interview and recommend prospective directors, as required, to provide an appropriate balance of knowledge, experience and skill on the Board. The Committee shall be guided by this Charter, any corporate governance principles developed by it under this Charter, and applicable laws and regulations in recruiting and recommending director candidates. So long as shareholders nominating director candidates shall have complied with the procedural and other requirements referenced herein, the Committee shall apply the same criteria and employ substantially similar procedures for evaluating shareholder nominees for the Board as it would for evaluating any other Board nominee.

(h) The Committee shall have sole authority, at the Company’s expense, to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm’s fees and other retention terms.

5.3 **Regular Reports to the Board.** The Committee shall report regularly to the Board concerning its activities.

5.4 **Perform a Self-Evaluation and Review of Charter.** The Committee shall conduct an annual performance evaluation of the Committee and an annual assessment of the adequacy of this Charter.

---

<sup>1</sup> “President” shall be substituted for each reference in this Charter to “CEO” if the office of CEO is vacant for any reason.

**6. Authority To Retain And Terminate Advisors**

In the course of its duties, the Committee shall have the authority, at the Company's expense, to retain, replace and terminate independent legal counsel and other advisors, as it deems necessary to carry out its duties including to conduct or authorize studies and investigations into any matter of interest or concern within the scope of the Committee's duties that the Committee deems appropriate, including the authority to approve fees and other retention terms of such legal counsel and other advisors.

**7. Amendment**

This Charter and any provision contained herein may be amended or repealed by the Board.

Approved by the Nominating/Corporate Governance Committee  
Date: July 14, 2017

Approved by the Board of Directors  
Date: July 14, 2017