

Funding Circle Holdings plc

(the Company)

division of RESPONSIBILITIES between chair and
chief executive officer

and

role OF SENIOR INDEPENDENT DIRECTOR

(adopted by the Board on 18 September 2018)

1. BACKGROUND

1.1 This document sets out:

- (a) the division of responsibilities between the roles of the Chair and Chief Executive Officer in accordance with main principle A.2 and provision A.2.1 of the UK Corporate Governance Code; and
- (b) the responsibilities of the Senior Independent Director.

1.2 Only the board of directors of the Company (the **Board**) may change any of these provisions.

1.3 In this document '**Group**' means the Company and its subsidiary undertakings from time to time.

2. ROLE OF CHAIR

2.1 To ensure the affairs of the Group are conducted in accordance with:

- (a) the highest standard of integrity, probity and applicable principles;
- (b) the rules of the Financial Conduct Authority (**FCA**);
- (c) the Company's articles of association; and
- (d) the resolutions of the Board from time to time,

and to also have regard to the UK Corporate Governance Code.

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2.2 The Chair reports to the Board and is responsible for the leadership and overall effectiveness of the Board and setting the Board's agenda. The Chair is not responsible for the management of the Group.

3. THE CHAIR'S RESPONSIBILITIES

3.1 To run the Board effectively by ensuring meetings are held with appropriate frequency and that the Board agenda is forward-looking and reflects the important issues facing the Group, with an emphasis on strategic rather than routine issues.

3.2 To demonstrate objective judgment throughout his or her tenure and promote a culture of openness and debate.

3.3 To ensure the frequency and depth of evaluation of the performance of the Board and its committees is in compliance with best practice and appropriate action, if required, is taken on the results of any such evaluation and to confirm that an individual's performance continues to be effective and to demonstrate commitment to the role when they are proposed for re-election.

3.4 To ensure that there is appropriate delegation of authority from the Board to the Global Leadership Team (*GLT*).

3.5 To the extent appointed to the role by the Board, to chair the nomination committee which shall lead the process for Board appointments and identify and recommend candidates for the approval of the Board to fill Board vacancies and as additional Board members to enhance the effectiveness, skills, knowledge, leadership and experience of the Board (but the Chair shall not act in relation to the appointment of a successor chair).

3.6 To ensure that clear and timely Board and Board committee succession plans are in place.

3.7 To promote a culture of openness and debate, in particular by facilitating the effective contribution of non-executive directors, and ensuring constructive relations between executive and non-executive directors.

3.8 To ensure the Board receives accurate, clear and timely information to support sound decision-making and enable individual directors to fulfil their duties as directors.

3.9 To manage the Board in a way which allows enough time for discussion of issues, in particular complex, contentious or sensitive issues affecting the Group.

3.10 To ensure, with the support of the company secretary, compliance with Board-approved procedures, such as the schedule of matters reserved to the Board and the terms of reference of each Board committee, and to ensure that they are reviewed by the Board at least annually.

3.11 To oversee the company secretary's responsibilities for ensuring good information flows within the Board and its committees and between senior management and non-executive directors, as well as facilitating induction and assisting with personal development as required.



- 3.12 To hold meetings with the non-executive directors without executive directors or senior management present.
- 3.13 To ensure, with the support of the company secretary, that new directors are provided with a full, formal and tailored induction programme on joining the Board.
- 3.14 To ensure, with the support of the company secretary, that the development and ongoing training needs of individual directors and the Board as a whole are reviewed regularly and agreed.
- 3.15 To ensure effective communication by the Group with its shareholders, including discussing governance, remuneration and strategy with major shareholders, and by chairing shareholder meetings.
- 3.16 To (i) seek regular engagement with major shareholders, in addition to formal general meetings, in order to understand their views on governance and performance against the Company's strategy and (ii) ensure that shareholders' views are communicated to the Board as a whole so that all directors develop a clear understanding of the views of shareholders.
- 3.17 To arrange for all directors to attend the AGM and for the chairs of the audit, risk, remuneration and nomination committees to be available to answer questions at the AGM.
- 3.18 With the assistance of the company secretary, to promote high standards of corporate governance, in compliance with the UK Corporate Governance Code.
- 3.19 To ensure the effective implementation of the Board's decisions and strategy for the Company and the Group.
- 3.20 To be available for consultation with the Chief Executive Officer on relevant issues raised by the Chief Executive Officer and to provide support and advice to him or her while respecting executive responsibility.
- 3.21 To lead, with the Chief Executive Officer, the Group's relationships with governments, authorities, regulators and stakeholders.
- 3.22 To secure the necessary authority from the Board or the Chief Executive Officer prior to entering into any commitment for or on behalf of the Company that does not fall within the Chair's authority.
- 3.23 To act on the results of the annual evaluation of the performance of the board, its committees, the chair and individual directors, by recognising the strengths and addressing any weaknesses of the board.

4. ROLE OF CHIEF EXECUTIVE OFFICER

The Chief Executive Officer reports to the Chair and to the Board directly and is responsible for all executive management matters of the Group. Unless otherwise specifically agreed, all members of the GLT report directly to the Chief Executive Officer.



5. THE CHIEF EXECUTIVE OFFICER'S RESPONSIBILITIES

5.1 To manage the Group within the authority delegated by the Board.

5.2 To conduct the affairs of the Group in accordance with:

- (a) the highest standard of integrity, probity and applicable principles;
- (b) the rules of the FCA;
- (c) the Company's articles of association; and
- (d) the resolutions of the Board in effect from time to time,

and to also have regard to the UK Corporate Governance Code.

5.3 To develop and propose the Group's strategy, annual budget and business plans and commercial objectives to the Board, having regard to the Company's responsibilities to its shareholders and the Group's responsibilities to its suppliers, clients, customers, employees and other stakeholders.

5.4 To lead the GLT in the management of the Group to pursue the Group's commercial objectives and execute the Group's strategy, as approved by the Board.

5.5 To identify and execute strategic opportunities for the Group, whilst optimising as far as possible the use of the Group's resources.

5.6 To set an example and to communicate to the Group's employees the expectations of the Board in relation to the Group's culture, values and behaviour.

5.7 To manage the Group's risk profile, including the health and safety performance of the Group's business, in line with the extent of risk identified as acceptable by the Board and to ensure that appropriate internal controls are in place.

5.8 To keep the Chair informed of all important matters.

5.9 To review regularly the Group's operational performance and strategic direction.

5.10 To ensure, with the GLT, that Board decisions are implemented effectively and that significant decisions made by the GLT are communicated to the Board.

5.11 To ensure that the GLT gives appropriate priority to providing accurate, clear and timely reports to the Board.

5.12 To maintain a dialogue with the Chair and the Board on important and strategic issues facing the Group.

5.13 To ensure the Chair is alerted to potential complex, contentious or sensitive issues affecting the Group.



5.14 To make recommendations on remuneration policies, executive remuneration and terms of employment for senior employees.

5.15 To advise and make recommendations in respect of Board nominations and succession planning.

5.16 To ensure, with the support of the company secretary, that the GLT complies with the terms on which matters are delegated by the Board, and the terms of reference of Board committees, and to ensure matters outside the authority of the GLT are escalated to the Board.

5.17 To ensure that the development needs of the executive directors and senior management are identified and met.

5.18 To ensure that the Company and the Group develop strategies and make plans for the succession and replacement of key personnel.

5.19 To support the Chair in order to ensure that appropriate governance standards are applied throughout the Group.

5.20 To lead communications with shareholders and other stakeholders, ensuring that appropriate, timely and accurate information is disclosed to the market, with issues escalated promptly to the Market Disclosure Committee where appropriate.

5.21 To oversee the development of Group policies for Board approval and implement them, including the securities dealing code and communications policy.

5.22 To provide coherent leadership of the Company and the Group, including representing the Group to customers, suppliers, shareholders, financial institutions, employees, the media, the community and the public, and keeping the Chair informed on all important matters.

6. SENIOR INDEPENDENT DIRECTOR'S RESPONSIBILITIES TO SHAREHOLDERS

6.1 To be available to shareholders if they have concerns which contact through the normal channels of Chair, Chief Executive Officer or executive directors has failed to resolve or for which such contact is inappropriate.

6.2 To attend sufficient meetings with and listen to the views of major shareholders to help to develop a balanced understanding of the issues and concerns of major shareholders.

6.3 To provide a sounding board for the Chair and to serve as an intermediary for shareholders when necessary.

7. SENIOR INDEPENDENT DIRECTOR'S RESPONSIBILITIES TO THE CHAIR AND OTHER DIRECTORS

7.1 To chair the Nomination Committee when it is considering succession to the role of Chair of the Board.

7.2 To provide a sounding board for the Chair and serve as an intermediary for the other directors when necessary.



7.3 To meet other non-executive directors without the Chair present at least once a year to appraise the Chair's performance, taking into account the views of executive directors, and on such other occasions as are deemed appropriate.

7.4 To provide feedback to the Board on the independent non-executive directors' collective views on the following:

- (a) the perceived quality of the relationship between the Chair and the Chief Executive Officer;
- (b) the degree of openness between the Chief Executive Officer and the Board;
- (c) the visibility of checks and balances within the executive directors' team; and
- (d) whether all questions asked by the non-executive directors have been adequately addressed.