

# Funding Circle Holdings plc

(the Company)

## SCHEDULE OF MATTERS RESERVED FOR THE BOARD adopted by the Board on 5 June 2019

The following are the matters which are reserved for the board of directors of the Company (the **Board**). In this schedule 'Group' means the Company and its subsidiary undertakings.

### **1. Leadership, strategy, budgets and management**

- 1.1 Promoting the long-term sustainable success of the Company.
- 1.2 Providing leadership and establishing the values, purpose and strategy of the Company and the Group.
- 1.3 Assessing and monitoring the Company and the Group's culture, and ensuring that they are aligned with the Company's values, purpose and strategy. The directors should act with integrity, lead by example and promote the desired culture.
- 1.4 Approving the Group's business strategy and objectives, budget and forecasts and any material changes to them. The executive directors, supported by the Global Leadership Team, are responsible for the day to day management of the Group and developing the Group's business strategy, objectives, budget and forecasts and, once approved by the Board, ensuring their successful implementation.
- 1.5 Monitoring the delivery of the Group's business strategy and objectives and ensuring that necessary corrective action is taken.
- 1.6 Ensuring that the necessary resources are in place for the Company to meet its objectives, and to measure performance against them.
- 1.7 Ensuring effective engagement with, and encourage participation from, the Group's shareholders and stakeholders, including the workforce. Engagement mechanisms should be kept under review to ensure they are effective.
- 1.8 Understanding the views of the Company's key stakeholders and describing in the Company's annual report how their interests, and the matters set out in section 172 of the Companies Act 2006, have been considered in discussions and decision-making.

- 1.9 Ensuring workforce policies and practices are consistent with the Company's values and supporting its long-term sustainable success.
- 1.10 Overseeing the Group's operations, ensuring competent, effective and prudent management, sound planning, maintenance of sound management and internal control systems, adequate accounting and other records and compliance with statutory and regulatory obligations, including operating within the rules and guidance from the Financial Conduct Authority.
- 1.11 Approving any material extension of the Group's activities into new business or geographic areas and any decision to cease to operate all or any material part of the Group's business or make any material changes to the Group's business.

## **2. Structure and capital**

- 2.1 Approving changes to the Company's capital structure including any reduction of capital, share buy-backs and issue of shares or other securities (except under employees' share plans).
- 2.2 Approving any issue of securities of a company in the Group to a person that is not a member of the Group, where such issue is material in the context of the Group.
- 2.3 Approving any proposed alteration to the articles of association of the Company.
- 2.4 Approving any changes to the Company's listing or the markets on which its securities are traded.
- 2.5 Approving any major restructuring or reorganisation of the Group including any acquisitions or disposals which are material relative to the size of the Group.
- 2.6 Approving any major changes to the Group's management or control structures.
- 2.7 Approving any borrowings by the Group in excess of £10,000,000.
- 2.8 Approving any guarantee or indemnity given by the Group for amounts in excess of £10,000,000.
- 2.9 Approving any injection of capital into a member of the Group by a person that is not a member of the Group, whether by way of loan or subscription to shares.

## **3. Financial reporting**

- 3.1 Approving the half-yearly report, interim management statements and all preliminary announcements of final results.
- 3.2 Approving the annual report and accounts including the corporate governance statement and directors' remuneration report.
- 3.3 Approving the dividend policy, determination of any interim dividend and the recommendation (subject to the approval by shareholders in general meeting) of any final dividend to be paid by the Company or of any other distributions by the Company.

- 3.4 Approving any material changes in accounting policies and practices.
- 3.5 Approving any material expenditure not in the Group's approved business plan and beyond the delegated authority of the chief executive officer or the board of the relevant member of the Group.
- 3.6 Approval of treasury policies, including foreign currency exposure and the use of financial derivatives.

#### **4. Risk management and internal controls**

- 4.1 Ensuring the Group has effective systems of internal control, risk assessment and risk management in place, including approving the Group's risk appetite and its procedures for the detection of fraud and the prevention of bribery.
- 4.2 Undertaking an annual review of the Group's systems of control and risk management.
- 4.3 Making any major decision relating to the conduct (or settlement) of any material legal proceedings to which the Company or another member of the Group is a party where the potential liability or claim is material in the context of the Group as a whole and not including any debt collection and recoveries activity carried out in the ordinary course of the Group's business.
- 4.4 Adopting (or making a material amendment or variation to) the Group's major policies on the conduct of business, environmental, health and safety, whistleblowing, anti-money laundering and counter terrorism, anti-bribery and corruption, insurance and risk management, treasury (including, for the avoidance of doubt, interest rate and foreign exchange and financial derivatives) and any other policies identified from time to time as Board-approved policies.

#### **5. Contracts and expenditure**

- 5.1 Approving any major capital project, corporate action or investment by the Company or another member of the Group that will have, or is likely to have, a financial cost greater than £10,000,000.
- 5.2 Approving any contract entered into by the Company or any member of the Group which:
  - (a) is material strategically or by reason of size; and/or
  - (b) exposes the Group to unlimited legal liability, but excluding contracts entered into in the ordinary course of the Group's business.
- 5.3 Approving any Class 1 or 2 transaction or related party transaction, as defined by the Listing Rules of the Financial Conduct Authority.
- 5.4 Approving any takeover offer for another company subject to the City Code on Takeovers and Mergers.
- 5.5 Making of a recommendation to accept any takeover or merger offer for the Company or any member of the Group.

- 5.6 Approving any material joint venture and material arrangements with customers or suppliers.
- 5.7 Approving any acquisition or disposal (whether in a single transaction or series of transactions) not subject to the City Code on Takeovers and Mergers by any member of the Group of:
- (a) any business (or any material part of any business) where the consideration payable is equal to or more than £10,000,000;
  - (b) any shares in any company where the consideration payable is equal to or more than £10,000,000;
  - (c) any asset where the consideration payable is equal to or more than £10,000,000.
- 5.8 The entry into any new agreement or arrangement for the financing of the Group.
- 5.9 Save for securitisation transactions supported by a Group company in the ordinary course of the Group's business, approving any other securitisation.
- 6. Communications**
- 6.1 Convening general meetings of the Company and ensuring a satisfactory dialogue with its shareholders.
- 6.2 Approving notices of general meetings of the Company and all related documents to be sent to its shareholders.
- 6.3 Approving any prospectuses, circulars to holders of the Company's securities and recommendations in respect of any matters or notices which may be submitted to holders of the Company's securities in accordance with statutory requirements or requirements of the Financial Conduct Authority or London Stock Exchange or the Company's articles of association.
- 6.4 Approving press releases concerning matters decided by the Board.
- 6.5 Receiving reports from the market disclosure committee on compliance with the Company's continuing disclosure obligations.
- 7. Board membership and other appointments**
- 7.1 Changing the structure, size and composition of the Board, following recommendations from the nomination committee.
- 7.2 Ensuring effective succession planning for the Board and senior management of the Group so as to maintain an appropriate combination of skills, experience and knowledge, and promote diversity (including of gender, social and ethnic backgrounds and cognitive and personal strengths) (taking account of recommendations from the nomination committee where appropriate).

- 7.3 Making appointments to the Board, following recommendations from the nomination committee.
- 7.4 Selecting and appointing the chief executive officer and the chair.
- 7.5 Appointing the senior independent director, who will provide a sounding board for the chair and serve as an intermediary for the other directors and shareholders when necessary.
- 7.6 Determining the membership and chairship of Board committees and approving any amendments thereto, following recommendations from the nomination committee.
- 7.7 Making decisions about the continuation in office of a director at the end of his or her term of office, when a director should be re-elected by shareholders at the annual general meeting and otherwise as appropriate.
- 7.8 Making decisions about the continuation in office of a director at any time, including suspending or terminating the service of an executive director as an employee, subject to the law and his or her service contract.
- 7.9 Appointing and removing the company secretary.
- 7.10 Making recommendations to shareholders about the appointment, re-appointment or removal of the Group's external auditors, following recommendations from the audit committee.
- 7.11 Appointing directors of other companies in the Group.

## **8. Corporate governance matters**

- 8.1 Formally reviewing the performance of the Board and its committees, individual directors and the Group's overall corporate governance framework on at least an annual basis.
- 8.2 Ensuring that the Board includes the appropriate combination of executive and non-executive directors, such that no one individual or small group of individuals dominates the Board's decision-making.
- 8.3 Implementing an effective succession plan.
- 8.4 Considering the balance of interests between shareholders, employees, customers and the communities in which the Group operates.
- 8.5 Receiving and considering the views of the Company's shareholders.
- 8.6 Authorising any conflict of interest where permitted by the Company's articles of association.

## **9. Remuneration**

- 9.1 Determining and agreeing with the remuneration committee the policy for the remuneration of the chair, executive directors, the company secretary and members of the executive committee/other senior executives.
- 9.2 Determining the remuneration of non-executive directors of the Company, subject to the articles of association of the Company.
- 9.3 Introducing share incentive plans or making major changes to existing plans, to be put to shareholders for approval.

## **10. Delegated authority**

- 10.1 Establishing and determining the terms of reference of Board committees and approving any amendments thereto and receiving reports and recommendations from such committees.
- 10.2 Approving the limits of the authority to approve expenditure, investments and such other matters as the Board may determine, delegated to the chief executive officer, chief financial officer and other directors and senior managers.
- 10.3 Approving the division of responsibilities between the chair and the chief executive officer.
- 10.4 Approving the statement of responsibilities of the senior independent director.
- 10.5 Granting powers of attorney to undertake actions for and on behalf of the Company which are outside the ordinary course of business.

## **11. Other matters**

- 11.1 Approval and monitoring of the securities dealing code.
- 11.2 Approval and monitoring of the corporate social responsibility policy and report.
- 11.3 Dealing in any way (including via acquisition or disposal), whether outright or by way of licence or otherwise, with any material intellectual property other than in the ordinary course of business.
- 11.4 Approving the taking of (or agreement to take) any leasehold interest in or licence over any real property that will have, or is likely to have, a cost to the Company or any member of the Group over the life of the committed lease or licence term of greater than £10,000,000;
- 11.5 Appointment of the Company's principal financial and professional advisers.
- 11.6 Prosecution, defence or settlement of litigation or other dispute resolution material to the interests and reputation of the Group.
- 11.7 Approving policies on the making of political donations (subject to the approval by shareholders in general meeting) and charitable donations.

- 11.8 Approving material interaction with regulators in relation to any enforcement or investigation matters.
- 11.9 Approving the Group's levels of insurance, including directors' and officers' liability insurance.
- 11.10 Approving directors' indemnities.
- 11.11 Approving the introduction, or any material changes to the rules, or changes in the trustees, of any pension plan or scheme.
- 11.12 Approving any other matters which are reserved for decision by the Board in accordance with the requirements of applicable law, regulation or pursuant to accepted best practice or under the articles of association of the Company.
- 11.13 Approving any decision likely to have a material impact on the Company or the Group from any perspective, including financial, operational, strategic, regulatory or reputational.
- 11.14 Review of this schedule of matters reserved for the Board (at least annually).