



**Schedule of Matters Reserved for the Board**

Version 1.0

# **Amigo Holdings PLC**

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(as adopted by the Board on [●] 2018)

The following are the matters which are specifically reserved for the board of directors of Amigo Holdings PLC (the “**Company**”) (the “**Board**”). The Company is a company registered in England and Wales with Company Registration no. 11024479. As a company, it is required by law and its Articles of Association to have a board of directors. This policy is not intended to replace or supplement the legal obligations of the Board under legislation, regulation or its Articles of Association.

The Board’s role is to provide entrepreneurial leadership within a framework of prudent and effective controls which enables risk to be assessed and managed, and to organise and direct the affairs of the Company in a manner that aims to maximise the value of the company for the benefit of its members as a whole, while complying with relevant regulatory requirements, the Company's internal processes and relevant corporate governance standards. In general, the Board should consider all important management and policy matters in relation to the Company, which should include, amongst other things, setting the Company’s strategic aims, ensuring that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance. The Board should also set the Company’s values and standards and ensure that its obligations to its shareholders and others are understood and met. Without prejudice to that general rule, the Board has specifically resolved that (subject to any applicable provisions of the Company’s articles of association that provide for certain matters to be determined or approved by the Company’s shareholders in general meeting) the following matters should be reserved for decision by it.

This Schedule should be read in conjunction with, and shall remain subject to, the Company’s Delegated Powers of Authority in force from time to time (the “**DPA**”). In the event of any inconsistency between the provisions of this Schedule and the DPA, the provisions of the DPA shall prevail.

### **1. Strategy and Management**

- 1.1 Responsibility for the overall management of the Company and its subsidiary undertakings (the “**Group**”).
- 1.2 Providing leadership and setting the values and standards of the Company and the Group.
- 1.3 Approval of the Group’s long-term business strategy and objectives and overall governance framework.
- 1.4 Monitoring the delivery of the Group’s long-term business strategy and objectives.
- 1.5 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 1.6 Oversight of the Group’s operations and reviewing on a regular basis performance in the light of the Group’s long term business strategy and objectives, ensuring competent and prudent management, sound planning, maintenance of sound management and internal controls systems, adequate accounting, record-keeping and compliance with statutory and regulatory obligations.

- 1.7 Reviewing and approving the Company's strategic financial framework, including quantitative credit and operational risk limits, ensuring the Company's ongoing prudential integrity and sustainability to support the Company's objectives in light of changing internal and external circumstances.
- 1.8 Reviewing and approving changes in the pricing structure and philosophy of the Group's products.
- 1.9 Reviewing and approving material changes in how the Group treats customers in terms of marketing, customer journey and collections.
- 1.10 Review of the Group's performance in the light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.11 Approval of any material extension of the Group's activities into new business or geographic areas or any material change in the nature or the business of any company within the Group.
- 1.12 Approval of any decision to cease to operate all or any material part of the Group's business.

## **2. Structure and Capital**

- 2.1 Approval of major changes to the Group's capital structure or the domicile or status of any company within the Group.
- 2.2 Approval of Group share issues (except under employee share plans) and share buy backs, including the use of treasury shares.
- 2.3 Approval of any major changes to the Group's corporate structure (including the formation or winding up of subsidiaries).
- 2.4 Approval of major changes to the Group's management and control structure.
- 2.5 Approval of any proposed alteration to the articles of association of the Company.
- 2.6 Approval of any changes to the Company's listing, its status as a public limited company, or the markets on which its securities are traded.

## **3. Financial reporting and controls**

- 3.1 Approval of any preliminary announcement of interim and final results and of any interim management statements concerning such reports or statements.
- 3.2 Approval of the half yearly report and annual report and accounts (including the corporate governance statement and remuneration report) and strategic report.
- 3.3 Approval of the dividend policy.
- 3.4 Determination of the interim dividend and recommendation (subject to the approval of shareholders in general meeting) of the final dividend to be paid by the Company or of any distributions by the Company.
- 3.5 Approval of any material changes in accounting policies and practices following recommendations concerning the same received from the Audit and Risk Committees.

- 3.6 Review and approval of the Group's annual financing plan (including a summary of the Group's projected financing and capital structure).
- 3.7 Approval of any treasury policies (including foreign currency exposure, the use of financial derivatives and other hedging strategies).
- 3.8 Review of the group's balance sheet foreign exchange exposure.
- 3.9 Approval of placing of deposits exceeding £25 million with any single bank and approval of a list of banks with whom deposits may be placed up to such limit.
- 3.10 Approval of any alteration to the Company's banking arrangements including the opening or closing of accounts.

#### **4. Internal controls**

- 4.1 Ensure maintenance of a sound system of internal control and risk management that enables the strategic, financial, credit, regulatory and operational risks of the Company to be assessed and managed, including:
  - (a) approval of the Group's risk appetite (including the indemnification of directors);
  - (b) overseeing the establishment and maintenance of such systems and controls as may be required or expected by the Financial Conduct Authority;
  - (c) approval of the procedures for the detection of fraud and the prevention of bribery, including to receive regular reports on financial crime and to ensure the Company has proportionate and up to date systems and controls in light of the most recent developments;
  - (d) receiving reports on, and reviewing on a regular basis the effectiveness of, the Group's risk and control processes (in consultation with the Audit and Risk Committee) in supporting its strategy and objectives:
    - (i) undertaking an annual assessment of these processes; and
    - (ii) approving an appropriate statement for inclusion in the annual report.
  - (e) receiving and reviewing regular reports and management on the FCA's Treating Customers Fairly principle; and
  - (f) monitoring management's actions in respect of any breaches, and their implementation of any Board recommendations arising as a result of any breaches, and approving the results of any review of the effectiveness of the system of internal controls.
- 4.2 Promoting an anti-corruption culture throughout the Group by the establishment and annual review of a code of conduct and anti-bribery policies and ensuring that these are briefed and understood by all employees.

#### **5. Disclosure and control of inside information**

- 5.1 Overseeing the Company's compliance with its obligations (as set out in the Listing Rules, the FCA's Disclosure Guidance and Transparency Rules and the Market Abuse Regulation (Regulation 596/2014)) in respect of the disclosure and control of inside information concerning the Company.
- 5.2 Determining on a timely basis the disclosure treatment of inside information, and assisting in the design, implementation and periodic evaluation of disclosure controls and procedures. In particular, to:
- (a) ensure that effective arrangements are in place to deny access to inside information to persons other than those who require it for the exercise of their functions in the Company or its Group;
  - (b) ensure that procedures are in place for employees with access to inside information to acknowledge the legal and regulatory duties that apply to them and to be aware of the sanctions attaching to the misuse or improper circulation of such information;
  - (c) monitor compliance with the Company's disclosure controls and procedures, and monitor the effectiveness of the disclosure controls and procedures in place from time to time;
  - (d) resolve questions about the materiality of information;
  - (e) consider and decide whether information provided to the Board is inside information and, if so, the date and time at which that inside information first existed within the Company;
  - (f) consider whether the conditions for delaying disclosure of inside information are satisfied and, where appropriate, implement and monitor the delay procedure;
  - (g) alert the General Counsel to the existence of inside information giving rise to the need for amendments to the Company's insider list;
  - (h) When disclosure of inside information is delayed, to:
    - (i) maintain all required Company records (with the assistance of the General Counsel);
    - (ii) monitor the conditions permitting delay;
    - (iii) prepare any required notification to the Financial Conduct Authority regarding the delay in disclosure; and
    - (iv) prepare any required explanation to the Financial Conduct Authority of how the conditions for delay were met;
  - (i) generally review and advise on the scope and content of disclosure (including any selective disclosure);
  - (j) review any announcements dealing with significant non-standard developments relating to the Company or its business and ensure their accuracy;
  - (k) consider generally the requirement for announcements, including in the following circumstances: (a) interim steps in a protracted process (e.g. a project); (b) a change in circumstances during the period when disclosure of inside information is delayed; (c) rumours relating to the Company; and (d) in the case of a leak of inside information and, in particular, the need to issue holding announcements;
  - (l) approve and keep under review the Company's procedures for the issue of announcements;

- (m) ensure that procedures are in place for notification of transactions by persons discharging managerial responsibilities and persons closely associated with them;
- (n) review the Company's relationship with, and procedures for dealing with, investors and analysts.
- (o) approve the Company's policy for communications with the market;
- (p) monitor the markets' views about the Company (including those based on signals set by the Company) and its share price, including rumours; and
- (q) ensure that an appropriate verification process is established in relation to all announcements which are approved for release by the Company.

## **6. Contracts and expenditure**

- 6.1 Approval of all budgeted capital expenditure in excess of £5 million and approving all unbudgeted capital expenditure in excess of £2 million.
- 6.2 Approval of all capital disposals in excess of £3 million.
- 6.3 Approval of any commercial contract entered into in the normal course of business that is in excess of £5 million in value and subject to a term of 12 months or more either as a single transaction or a series of related transactions.
- 6.4 Approval of any contract entered into by a group company containing provisions that create restrictions, encumbrances or security interests over the assets or business of one or more other Group companies, for example, and without limitation, charges, debentures, guarantees, indemnities, or other forms of surety.
- 6.5 Approval of the giving of guarantees and letters of comfort, bank guarantees or other security by the Company where the amount of the relevant loan or other liability exceeds £2 million, if the loan or liability is that of a Group company, or £2 million, if the loan or liability is that of another person.
- 6.6 Approval of the entrance into loan facilities, debt factoring, sale and leaseback arrangements, delegating authority, as the Board considers appropriate, to decide matters of detail.
- 6.7 Approval of any contract or agreement outside of the normal course of business of the Company in excess of £1 million.
- 6.8 Approval of any transactions with related parties, corporate actions or class 1 or class 2 transactions (as defined in the Listing Rules).
- 6.9 Approval of any takeover offer for another company as defined in the City Code on Takeovers and Mergers.
- 6.10 Approval of the allotment by the Company of any debt securities, delegating authority, as the Board considers appropriate, to decide matters of detail.
- 6.11 Approval of any increase, or significant variation in the terms (other than arising from changes in interest rates) of the borrowing facilities available to the Company, provided that the Chief Executive Officer and Chief Financial Officer may jointly approve any immaterial increases, variations or additional facilities.
- 6.12 Approval of any sale, hire purchase or lease back arrangements in excess of £3 million.
- 6.13 Approval of consultancy arrangements in excess of £500,000.

- 6.14 Approval of all other trade investments and divestments, which, in a group context, are material by nature.
- 6.15 Approval of all major investments and disposals including the acquisition or disposal of interests of more than 5 per cent. in the voting shares of any company or any acquisition or disposal that might affect impact the Company's resources.
- 6.16 Approval of any joint venture and material arrangements or contracts with customers or suppliers or other third parties which are material strategically or by reason of size.

## **7. Communications**

- 7.1 Convening general meetings of the Company and approval of resolutions and related documentation to be put forward to shareholders at a general meeting.
- 7.2 Approval of all circulars, prospectuses and listing particulars.
- 7.3 Approval of press releases concerning significant matters decided by the Board.

## **8. Board membership and other appointments**

- 8.1 Approval of changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.
- 8.2 Ensuring adequate succession planning for the Board and senior management of the Group (taking account of recommendations of the Nomination Committee where appropriate).
- 8.3 Making appointments to the Board, following recommendations of the Nomination Committee.
- 8.4 Selecting the Chairman of the Board and the Chief Executive Officer.
- 8.5 Appointing the Senior Independent Director.
- 8.6 Determination of the membership and chairmanship of Board committees and approval of any amendments thereto, following recommendations from the Nomination Committee.
- 8.7 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.
- 8.8 Making decisions about the continuation in office of a director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the law and his or her service contract.
- 8.9 Appointing or removing the Company Secretary.
- 8.10 Making recommendations to shareholders about the appointment, reappointment or removal of the external auditor, following the recommendation of the Audit and Risk Committee.
- 8.11 Determining the remuneration of the external auditor and internal audit provider based on the recommendations made to the Board by the Audit Committee.
- 8.12 Appointing or removing directors from the Boards of other members of the Group.
- 8.13 Appointing other senior managers of the Company of the Group.
- 8.14 Approval of any conflicts of interest in relation to directors.



## **9. Remuneration**

- 9.1 On the recommendation of the Remuneration Committee, determination of the remuneration policy for the executive directors, company secretary, other members of the executive Board and other senior employees of the Company, including to ensure it reflects the Company's objectives and the FCA's rules, principles and guidance.
- 9.2 On the recommendation of the Chairman and the executive directors, determination of the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.
- 9.3 Approval of the introduction of new share incentive plans or new long-term incentive schemes or major changes to existing plans, to be put to shareholders for approval.

## **10. Delegation of Authority**

- 10.1 Approval of the division of responsibilities between the Chairman, the Chief Executive Officer and the Senior Independent Director, which should be in writing, and otherwise delegating clearly defined responsibilities as the Board may determine from time to time, including apportioning responsibility for key functions required or expected by the FCA.
- 10.2 Approval of the delegated authority limits, in respect of expenditure, investments and other matters as the Board may determine, for the Chief Executive Officer, the Chief Financial Officer and any other executive directors.
- 10.3 Approval of the terms of reference of Board committees and approving any amendments thereto, and receiving reports and recommendations from Board committees.
- 10.4 Granting powers of attorney by the Company.

## **11. Corporate Governance Matters**

- 11.1 Undertaking a formal and rigorous annual review of its own performance, that of its committees and individual directors (including the Chairman), with such performance review to be externally facilitated at least every three years.
- 11.2 Determination of the independence of directors in line with the UK Corporate Governance Code.
- 11.3 Receiving and considering the views of the Company's shareholders.
- 11.4 Considering the balance of interests between shareholders, employees, customers and the community.
- 11.5 Review of the Group's overall corporate governance arrangements.
- 11.6 Presentation of a balanced and understandable assessment of the Company's position and prospects. This duty extends to interim and other price sensitive public reports and reports to regulators as well as to information required to be presented by any statutory requirements.
- 11.7 Approval of any applications by executive directors for permission to accept outside appointments.

## **12. Policies**

- 12.1 Determination of the policies applicable to the Group and the approval of any material changes to any such Group policies, including policies relating to the following areas:
- (a) Anti-money Laundering;
  - (b) Staff Remuneration;
  - (c) Conflicts of Interest;
  - (d) Business Risk Register;
  - (e) Financial Crime;
  - (f) Compliance Policy and Monitoring Programme; and
  - (g) Treating Customers Fairly;
  - (h) Forbearance;
  - (i) Vulnerable Customers;
  - (j) Responsible Lending;
  - (k) Securities Dealings;
  - (l) Inside Information;
  - (m) Anti-Bribery;
  - (n) Whistleblowing;
  - (o) Market Sounding; and
  - (p) Related Party Transactions.
- 12.2 Approval of material changes to the Regulatory Business Plan.

## **13. Other Matters**

- 13.1 The making of political donations.
- 13.2 Approval of the appointment of the group's principal professional advisers, including the group's brokers, public relations advisor and registrar.
- 13.3 Approval of major changes to the rules of the Group's pension scheme, or changes of trustees or in the fund management arrangements.
- 13.4 Approval of (or amendment to) this schedule of matters reserved for Board decisions.
- 13.5 Prosecution, defence or settlement of litigation above £1 million or being otherwise material to the interests of the Group.
- 13.6 Approval of the overall levels of insurance for the Group including directors' and officers' liability insurance and the indemnification of directors, where appropriate.

- 13.7 Approval of any other matters required to be approved by the Board under its articles of association, or any applicable law or regulation, and such other matters as the Board may determine from time to time, including any change to any Board approved strategy which may reasonably be regarded as likely to have a material effect on the Company's reputation.

Matters which the Board considers suitable for delegation are contained in the terms of reference of its committees and the Board may constitute further committees if thought fit.