

VANQUIS BANKING GROUP plc and VANQUIS BANK Ltd

Matters Reserved for the Board (MRB)

In this document the following terms have the following meanings, unless inconsistent with the context:

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| The Company | each of Vanquis Banking Group plc (the plc) and Vanquis Bank Ltd (VBL). Where the MRB for the Board are used for either the plc or VBL then it shall mean the relevant company only. |
| Board | when used as a joint document, the Boards of both the plc and VBL. Where the MRB are used as either of the plc or VBL then it shall mean the relevant Board only. |
| Director | a director of the Board of each of the plc and VBL |
| Group | the plc and its subsidiaries as defined by the Companies Act 2006. Should the MRB be used solely then the same definition shall apply but when used for VBL then this definition shall mean only those subsidiaries of the VBL. |
| Major Subsidiaries | the major subsidiaries of the plc are: Vanquis Bank Limited, Moneybarn No 1 Limited and Moneybarn Limited (together known as "Moneybarn") and Cheque Exchange Limited. |

Provident Financial Management Services Limited and Provident Personal Credit Limited (together known as “CCD”), Provident SPV Limited (for the CCD Scheme of Arrangement also known as ‘SchemeCo’) are in members voluntary liquidation.

The Code

the 2018 UK Corporate Governance Code and any later version superseding this version.

1. OVERVIEW

- 1.1 The Code states that every company should be headed by an effective and entrepreneurial Board, whose role is to promote the long-term sustainable success of the Company generating value for shareholders and contributing to wider society. The Board establishes the company’s purpose, values and strategy and ensures that these and its culture are aligned and establishes a framework of prudent and effective controls, which enable risk to be assess and managed. The Board should ensure that the necessary financial and human resources are in place for the company to meet its objectives and should review management performance. All directors must act in what they consider to be the best interests of the company consistent with their statutory duties. Broader implications, including the interest of employees and how the actions and behaviours of the company affect its customers, suppliers, the community and the environment as well as the Company’s reputation, as set out in s.172 of the Companies

Act and the Code.

- 1.2 An effective Board controls the business but delegates day to day responsibility to the executive management. However, there are a number of matters which are required to be or, in the interests of the Companies, should only be decided by the Board of directors as a whole. A Prudential Regulation Authority Supervisory Statement (SS5/16: July 2018) adds that ‘. . .the PRA expects boards to articulate clearly and unambiguously the matters reserved to the board. . ..’
- 1.3 The Boards and Committees of the plc and (VBL) have predominantly identical membership and sit jointly on most occasions. Where a joint meeting takes place the Matters Reserved for the Board (MRB) shall apply. Where the Boards of the plc or VBL sit separately, the MRB shall apply with the exception of those duties or responsibilities where due to statute, regulation or other reasons considered appropriate by the directors/executives they cannot or should not apply.
- 1.4 In circumstances in which a conflict of interest might arise due to 1.3, the Chair retains the right to appoint an independent NED to the Board of the plc.
- 1.5 Paragraphs or provisions marked with ‘*’ are expected to apply primarily to the Board of the plc and unless otherwise determined by the Board that it should also apply to the plc, the paragraphs or provisions marked with a ‘†’ are expected to apply primarily to the Board of VBL. Such matters are not exclusive and can be amended from time to time on an ad hoc or continuous basis, separate to any agreement to amend the MRB, provided that a quorum of the relevant Board/Committee agrees and this derogation is minuted as such.
- 1.6 Where a matter relating to VBL requires VBL Board approval, this matter

will not also require approval from the Board of the plc.

2. ROLE AND KEY PRINCIPLES OF THE BOARD

The role of the Board is to:

- 2.1 have responsibility for the overall leadership of the Company and the Group, promoting the long-term sustainable success of the Company and the Group, generating value for shareholders and contributing to wider society;
- 2.2 approve the Group's strategic aims for long term success, ensuring that the necessary financial and human resources are in place for the Group to meet its objectives and regulatory requirements and review management performance;
- 2.3 set, instil and monitor the Group's purpose, culture, values and standards in the Boardroom and throughout the Group, which are centred firmly on the customer and customer outcomes and take appropriate account of the Group's wider stakeholders;
- 2.4 act in the best interests of the shareholders and the Company and in accordance with the Directors' duties under UK law, including those set out in sections 171 to 177 and 182 of the Companies Act 2006;
- 2.5 review the Group's performance in light of the Group's strategic aims, objectives, business plans and budgets, and regulatory obligations and ensure that any necessary corrective action is taken;
- 2.6 make well-informed decisions based on a clear line of sight into the Group's business; and
- 2.7 oversee the application of Group policies and procedures adopted in

accordance with this document throughout the Group.

3. MATTERS RESERVED FOR THE BOARD

The Board delegates certain of its authority through the Delegated Authorities Manual to the Board's authorised and constituted committees, and to its Subsidiary Boards. Those matters which are reserved for the Board's approval are below:

3.1. Strategy

- 3.1.1. Review, approve and monitor implementation of the Group's and Company's corporate strategy and long-term objectives, ensuring that a customer and customer outcomes led approach is taken and all stakeholders have been considered where appropriate;
- 3.1.2. Approve any change to the Company's regulatory permissions;
- 3.1.3. Approve the annual operating and capital expenditure budgets for the Group, Company and each Operating Subsidiary and any material changes to them, ensuring that the necessary resources are in place for the Group/Company to meet its objectives and measure performance against those objectives;
- 3.1.4. Review performance and business results of the Group/Company in light of the corporate strategic aims, objectives, budgets and business plans within the applicable legal and regulatory framework, taking into account, inter alia, the Group's/Company's long term financial interests, solvency, risk appetite and sustainable success. Ensure that any necessary corrective action is taken;

- 3.1.5. Oversight of the Company's operations ensuring:
 - 3.1.5.1 Board oversight of major operational issues and strategic proposals;
 - 3.1.5.2 Board oversight of new distribution channels;
 - 3.1.5.3 competent and prudent management;
 - 3.1.5.4 sound planning;
 - 3.1.5.5 maintenance of sound management and internal control systems;
 - 3.1.5.6 adequate accounting and other records;
 - 3.1.5.7 compliance with statutory and regulatory obligations;
 - 3.1.5.8 IT strategy supports the business objectives; and
 - 3.1.5.9 workforce policies and practices are consistent with the Group's values and culture and support its long-term sustainable success;
- 3.1.6. Approve and monitor major investments, divestments and strategic commitments and proposals, including cessation of any of the Group's businesses (or a material part of those businesses) or entry into new businesses or geographic locations;

3.2. Structure and Capital

- 3.2.1. Approve changes relating to the Company's capital structure and debt securities including allotment (other than in relation to employee share plans), reduction of capital, share issues (except under employee share plans), share buy backs (including the use

of treasury shares), redemption or issue of debt. The approval of the allotment/issuance of shares or transfer of shares to satisfy awards/options under employee share plans is delegated to a subcommittee of the Board, comprising a minimum of two of the following: Executive Directors and the Company Secretary;

- 3.2.2. Approve the allotment of shares in subsidiaries (where this is other than to companies within the Group);
- 3.2.3. Approve the acquisitions and disposal of shares (of the Company and of its operating subsidiaries) where the consideration exceeds £5,000,000 (budgeted) or £500,000 unbudgeted (excluding such acquisitions or disposals between companies within the Group or by a Group Employee Benefit Trust);
- 3.2.4. Major changes to the Group's corporate structure, including, but not limited to acquisitions and disposals of shares, establishing any new subsidiary undertaking or branch outside of the UK, joint ventures or partnership agreements, businesses or undertakings which are material relative to the size of the Group in question (taking into account initial and deferred consideration), and material transactions, equity investments, acquisitions, mergers or disposals;
- 3.2.5. Approve changes to the Group's management and control structure;
- 3.2.6. Approve the Company's regulatory capital requirements and the basis for allocation of capital through the annual plan/ Internal Capital Adequacy Assessment Process (ICAAP), Internal Liquidity Adequacy Process (ILAAP), Pillar 3 Disclosure, Wind Down Plan

and Recovery and Resolution Plan (RRP); and

- 3.2.7. * Approve any amendments to (including any request for cessation or suspension of) the Company's listing on the London Stock Exchange or its listing status on any such exchange and any amendment to its status as a public limited company.

3.3. Financial and Regulatory Matters

Following recommendations from the Audit Committee and/or the Risk Committee, where appropriate:

- 3.3.1. Approve the Annual Report and Financial Statements, including the statement of Going Concern and *directors' remuneration report;
- 3.3.2. * Approve interim management statements, half-yearly financial statements and results, including any statement of Going Concern, and any preliminary announcement of the final results;
- 3.3.3. * Approve the dividend policy, the declaration of any interim dividend and the recommendation of any final dividend;
- 3.3.4. Approve any significant changes in accounting policies or practices;
- 3.3.5. Approve the appointment, re-appointment or removal of the External Auditor (*appointment to be put to the shareholders for approval in the Annual General Meeting);
- 3.3.6. Approve the Group's Tax Strategy on an annual basis;
- 3.3.7. Approve of material unbudgeted capital or operating expenditures (outside pre-determined tolerances) in line with the

Group Delegated Authorities Manual;

- 3.3.8. Approve any transaction that has the potential to impact adversely, by £10,000,000 or more, on the Group's regulatory capital or which would cause the Group's capital adequacy to fall below the minimum level agreed with the Prudential Regulatory Authority;
- 3.3.9. Approve loans (of up to £5,000 or as otherwise permitted by law) to Board directors;
- 3.3.10. Ensure compliance with relevant prudential and financial regulations including, but not limited to, the Financial Conduct Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules;
- 3.3.11. Approve of donations to registered parties (namely parties registered under Part II of the Political Parties, Elections and Referendums Act 2000);
- 3.3.12. † Review and approve procedures and controls as required by the Prudential Regulation Authority's safety and soundness objectives;

3.4. Internal Controls and Risk Management

Following recommendations from the Audit Committee and/or the Risk Committee, as appropriate:

- 3.4.1. Oversee, review and approve the Group's/Company's risk profile and emerging risks, the maintenance of a sound system of internal controls and risk management and the processes for compliance with prudential regulation, standards and other

regulatory requirements with the guidance of the Risk Committee;

3.4.2. Establish procedures to identify risks, implement appropriate systems to manage these risks, oversee the internal control and risk management framework and determine the nature and extent of the principal risks the Group/Company is willing to take in order to achieve its long-term strategic objectives including:

3.4.2.1 carrying out a robust assessment of the Group's emerging and principal risks;

3.4.2.2 establishing procedures to identify principal and emerging risks;

3.4.2.3 approving the Group's risk appetite statements;

3.4.2.4 receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives;

3.4.2.5 approving procedures for the detection of fraud, and the prevention of bribery and undertaking an annual assessment of these processes;

3.4.2.6 approving an appropriate statement on internal control and risk management for inclusion in the Annual Report;

3.4.3. Ensure that the executive management and Operating Subsidiary boards:

3.4.3.1 establish, maintain and implement appropriate systems to plan and control Group operations and risks and to comply with relevant legislation and regulations; and

3.4.3.2 provide regular and sufficient information to the Board, through the Group committee structure, to enable it to comprehend fully the major risks and to discharge its monitoring duties in relation to these matters.

3.5. Contracts

- 3.5.1. Approval of major capital projects or investments entered into by the Company, or any of its subsidiaries, whose total development costs exceeds £5,000,000, or which are otherwise transformative in nature, and oversight of the execution and delivery of those investments;
- 3.5.2. Approval of any financially or strategically material contract entered into by the Company, or any of its operating subsidiaries, including approval of contracts where the consideration (or aggregate consideration) exceeds £10,000,000;
- 3.5.3. Approval and oversight of any acquisition or disposal of interests of more than 3 per cent in the voting shares of any company or the making of any takeover offer.

3.6. Delegation of Authority

- 3.6.1. Approve the Delegated Authorities Manual which should include the Chief Executive Officer's authority limits in writing, for the Group and Company;
- 3.6.2. Establish and maintain Board Committees and approval of their terms of reference and amendments thereto;
- 3.6.3. Approve the responsibilities of the Chair, Chief Executive Officer and Senior Independent Director which should be clearly established, set out in writing and agreed by the Board;

3.6.4. Receive reports from board committees on their activities.

3.7. Board and Committee Matters

Following guidance and recommendations from the Nomination Committee, where appropriate:

- 3.7.1. Approve changes to the structure, size and composition of the Board, as well as Board committee chairship and membership, and the subsequent appointments and related appointment letters;
- 3.7.2. Approve the selection of the Chair of the Board and the Chief Executive Officer;
- 3.7.3. Approve the appointment of the Senior Independent Director to provide a sounding board for the Chair and to serve as intermediary for the other directors when necessary;
- 3.7.4. Approve the continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the *AGM and otherwise as appropriate;
- 3.7.5. Approve the appointment and removal of the Group Company Secretary;
- 3.7.6. * Notification of the appointment of Directors to Operating Subsidiary Boards;
- 3.7.7. Approve the continuation in office of any director at any time, including the suspension or termination of service of an Executive Director as an employee of the Group, subject to the law and their service contract;

- 3.7.8. Determine the independence of Non-Executive Directors following recommendation from the Nomination Committee;
- 3.7.9. Consider all requests from Board members for permission for other directorships, subject to the following principles: (i) a non-executive director would not be expected to simultaneously hold more than four other material non-executive directorships; and (ii) if they hold an executive role in a FTSE 350 company, they would not be expected to simultaneously hold more than two other material non-executive directorships; (iii) an executive director should not take on more than one non-executive directorship in a FTSE 100 company or other significant appointment. Each director should not undertake any additional external appointments without the prior approval of the Board and the reasons for permitting the appointment should be explained in the annual report and accounts ;
- 3.7.10. Annually review the external appointments held by the directors to ensure the time commitment provided to the Company is sufficient;
- 3.7.11. Prior to appointment of new directors, the Board should consider other demands and significant commitments on the prospective director's time before approval of that appointment;

3.8. Remuneration

Following recommendations from the Remuneration Committee and subject always to applicable law and regulation:

- 3.8.1. Approve the remuneration policy of the Directors and *make recommendations to the shareholders for approval of the

Directors' Remuneration Policy as required;

- 3.8.2. Determining the remuneration of the Non-Executive Directors, subject to the Articles of Association and shareholder approval as appropriate;
- 3.8.3. * Approve the introduction of new share incentive plans, or major changes to existing plans, to be put to shareholders for approval;

3.9. Corporate Governance

- 3.9.1. Review, approve and monitor the Group's overall corporate governance arrangements;
- 3.9.2. Authorisation of conflicts of interest or potential conflicts of interest of Directors where permitted by the Company's Articles of Association;
- 3.9.3. Authorisation of any third party benefits offered by or to any director, with a value of more than £2,500 or £10,000 in aggregate in any one year;
- 3.9.4. Undertake a formal and rigorous annual review of the Board's own performance, its Committees and individual directors (including Chair), a minimum of annually. Take any remedial actions and ensure that the actions identified are reviewed against progress following the evaluation;
- 3.9.5. Receive and review reports from the Board committees on their activities to ensure they are fulfilling their responsibilities in line with their terms of reference;

- 3.9.6. Consider the balance of interests between all stakeholders, including, but not limited to, customers with a view to building sustainable returns having regard to the interests of all stakeholders;
- 3.9.7. * Receiving reports on the views of the Company's shareholders to ensure that they are communicated to the Board as a whole;
- 3.9.8. Approve of the Code of Conduct and any other policies and †approve the Senior Manager Regime Responsibilities Map, following recommendation from the Risk Committee;
- 3.9.9. Assist the SMF role holders in fulfilling their prescribed responsibilities;
- 3.9.10. Where matters are discussed in relation to a prescribed responsibility the relevant SMF role holder, or a suitable alternate, should be considered for attendance and participation in any relevant Board discussion;

3.10. Communication with Stakeholders

- 3.10.1. Approve resolutions and corresponding documentation to be put forward to shareholders at a general meeting;
- 3.10.2. * Ensure a satisfactory dialogue with shareholders, through the Investor Relations team and oversight of the Shareholder engagement plan;
- 3.10.3. Ensure satisfactory engagement with the workforce and that the views of the Group's other key stakeholders have been considered in board discussions and decisions;

- 3.10.4. Ensure that the workforce can raise any matters of concern in confidence and, if they wish, anonymously and that there are no negative repercussions from doing so. To routinely review the adequacy and security of the Company/Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and ensuring that there are arrangements in place for proportionate and independent investigation of such matters and for appropriate follow-up action;
- 3.10.5. Appointment of a whistleblowers' champion from among its members, to oversee the integrity, independence and effectiveness of the Group's whistleblowing arrangements;
- 3.10.6. Approval of any *circulars, *prospectuses, *listing particulars and material press releases and announcements, except where otherwise delegated;
- 3.10.7. Establish and oversee performance to ensure customers are treated fairly and customer outcomes are appropriate, in line with internal expectations and aligned to regulatory expectations under Consumer Duty;
- 3.10.8. * Review and approve the Group public affairs strategy;
- 3.10.9. Review and monitor perceptions and reputation of the Group by the investment community, regulators and the media with reports on activity from the Group Corporate Communications Director.

3.11.Policies

3.11.1. Review and approve key Policies, which includes the following but is not limited to:

- Intra-Group Lending Policy
- Dividend Policy (see 3.3.3)
- Environment and Sustainability Policy
- Directors Remuneration Policy
- Whistleblowing Policy
- Conflicts of Interest Policy
- SMCR Policy
- Fraud and Financial Crime Policy
- Anti Bribery and Corruption Policy (including Gifts and Hospitality policy)
- Anti Money Laundering Policy
- Health and Safety Policy
- Information and Data Security Policy
- Data Protection Policy
- Business Continuity Policy
- Operational Resilience Policy
- Corporate Policies
- Pension Policy

3.11.2. Approval of the following policies is delegated to a Board Committee:

- Capital Risk Policy (GRC approved)
- Funding and Liquidity Risk Policy (GRC approved)
- Market (IRRBB) Risk Policy (GRC approved)
- Credit Risk Policy (GRC approved)

- Strategy Risk Policy (GRC approved)
- Climate Risk Policy (GRC approved)
- Legal and Governance Risk Policy (GRC approved)
- Financial Crime Risk Policy (GRC approved)
- People Risk Policy (GRC Approved)
- Technology and Information Security Risk Policy (GRC approved)
- Capital Risk Policy (GRC approved)
- Funding and Liquidity Risk Policy (GRC approved)
- Model Risk Policy (GRC approved)
- Group Procurement Policy (GRC approved)
- Operational Risk Policy (GRC approved)
- Group Human Rights and Modern Slavery Policy (CCE approved)
- Equality, Diversity and Inclusion (Nomco approved)
- Conduct and Regulatory Risk Policy (GRC approved)
- Responsible lending policy (GRC approved)
- Vulnerable customers policy (GRC approved)
- Complaints Management Policy (GRC approved)
- Malus and Clawback Policy (Remco approved)
- Buy-Out Policy (Remco approved)

Other

- 3.11.3. * Arrangements for overall levels of insurance for the Group including Directors' and Officers' liability insurance;
- 3.11.4. * Any major changes to the rules of the Group's pension scheme, changes of trustees nominated by the Company or changes in

fund management arrangements;

- 3.11.5. Approval of any matter likely to have a material impact on the Company or the Group from any perspective, including, but not limited to, financial, operational, strategic or reputational;
- 3.11.6. Approval of this list of matters reserved for Board decisions or any changes thereto;
- 3.11.7. Consideration and approval of prosecution, commencement, defence or settlement of litigation or an alternative dispute resolution mechanism which is material to the interests of the Group;
- 3.11.8. Approval of any professional fees for advice sought by the Board or Committee which exceeds, or is expected to exceed, £20,000 (exclusive of VAT) in relation to a specific matter, prior to the engagement for advice;

3.12. Authority

- 3.12.1. In carrying out their responsibilities and functions, the Board may establish and delegate any of their powers (save for those outlined within this document) to a Board committee, a Director, employee or other person subject to ultimate responsibility of the Directors under the Companies Act 2006;
- 3.12.2. The Board may also delegate specific functions to ad-hoc committees where it feels appropriate. The powers delegated to ad-hoc committees will be described in Board resolutions;
- 3.12.3. The Board shall have adequate access to information and shall

determine the nature, amount, format and frequency of the information which it is to receive;

3.12.4. The Board shall have access to sufficient resources and the authority to seek any information it requires from employees of the Company, including the Group Company Secretary, or otherwise in order to fulfil its role and responsibilities;

3.12.5. The Board may obtain, at the Company's expense, any appropriate independent external expert advice on any matter it considers necessary to fulfil its role and responsibilities.

4. REPORTING

4.1.1. The Board shall compile a statement on how it operates to be included in the Company's Annual Report and Financial Statements. The statement should include a high level statement of which types of decisions are taken by the Board and which are delegated to management.

4.1.2. The Board shall make this document available to shareholders via the Company's website.

5. COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE (THE CODE)

Should the Board at any time act or be in contravention of this document or the Code, provided that the Board can clearly explain the reasons for this and show that they have considered the consequences of not acting in accordance with corporate governance best practice as reflected in the Code, and considers what steps may be appropriate to remedy such contravention, then

such non-compliance will not constitute a breach of this document.

6. ANNUAL REVIEW

These Matters Reserved will be reviewed by the Board at least annually and any amendments will subsequently be approved by the Board.

7. CHANGE CONTROL

| Date | Changes Made | Approved By |
|------------------|--|---------------------------------------|
| 23 January 2018 | Newly Created Board Charter | PF Board 23 January 2018 |
| 30 July 2018 | Various | Approved by PF Board 30 July 2018 |
| 11 December 2018 | Various | Approved by PF Board 11 December 2018 |
| December 2022 | Combined with VBL Board Matters Reserved and updated with best practice for combined Boards. | Approved by PF Board 16 December 2021 |
| March 2023 | Updated for plc name change and Consumer Duty | None required |