

VANQUIS BANKING GROUP

GROUP EXECUTIVE COMMITTEE (EXCO)

Terms of Reference

1. Name and Authority

The Group Executive Committee (Exco) is an advisory committee commissioned to assist the Chief Executive Officer in the execution of the authorities delegated to them by the Board of Vanquis Banking Group plc (the Board).

2. Purpose

The purpose of the Group Executive Committee is to assist the Chief Executive Officer in the running and operation of the Group's businesses and act as an advisory committee for the Chief Executive Officer. The Exco reviews, debates, identifies and recommends matters required to be, or appropriate for, escalation to the Board and/or its Board Committees.

The Committee is responsible primarily for the following:

- Development and delivery of the Group's strategic objectives and priorities to be approved by the Board and measured effectively through a broad range of KPI's and Balanced Scorecard;
- Development, delivery and management of the Group's customer-led approach including the delivery of customer outcomes that are aligned to internal expectations and to the FCA's Consumer Duty;
- Development, delivery and management of the Group's operating model and associated corporate governance;
- Reviewing and debating relevant items before consideration by the Board;
- Monitoring performance including: financial objectives, capital allocations (as referred by Group and Bank ALCO), risk, disclosure, investments, acquisitions and disposals, operations, resource, customer and succession planning, customer outcomes in line with Consumer Duty;
- Establishing and monitoring the strategic approach to risk management including making recommendations about the Group's risk appetite to the Risk Committee and Board;
- Overall co-ordination, review and delivery of risk management activity;
- Development and coordination of a Group wide communication strategy and plan; and

- Development of the colleague proposition and actively promoting the Group's culture and values.

3. Chair, Members and Attendees

- Chief Executive Officer (CEO) (Chair)
- Chief Financial Officer (CFO) (Deputy Chair)
- Chief Risk Officer (CRO)
- Managing Directors (MDs) of Cards, Loans and Vehicle Finance
- General Counsel & Company Secretary
- Chief Internal Auditor
- Chief People Officer
- Chief Information Officer
- Group Director of Transformation
- Director of Corporate Communications
- Chief Operations Officer

Others may be invited by the Chair to attend all or part of any meeting.

4. Secretary

The Deputy Company Secretary or their nominee shall act as secretary to the committee.

5. Quorum

The quorum necessary for the transaction of business shall be three, one of which must be either the Chair or in their absence the Deputy Chair. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

6. Meetings

Meetings will be held monthly and at such other times as requested by the Chair.

7. Notice of Meetings

Meetings of the Committee shall be called by the Secretary at the request of the Chair. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and the relevant supporting papers, shall be forwarded to each member and any other person required to attend no later than two working days before the date of the meeting.

8. Minutes and Actions

The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. Actions will be recorded and tracked to completion.

Draft minutes shall be circulated promptly to the Chair. Matters

9. Duties

9.1 Objectives and Strategy (SMF PR T)

- Prior to approval by the Board, debate and recommend objectives and strategy for the Group in the development of its business; with focus being on a customer outcomes led approach, whilst having regard to the interests of its shareholders, employees, and other stakeholders;
- Agree and renew objectives based on approved Group strategy;
- Consider and manage emerging issues that may be material to the realisation of the agreed strategy;
- Consider material strategic initiatives, including acquisitions and disposals, investments and disclosure issues and recommend them for approval by the Board;
- Approve transactions within its delegated authority limit as determined in the Delegation of Authority Manual;
- Consider the Group's property strategy and any related requirements, prior to approval by the Board.

9.2 Business Performance and Operations

- Consider and develop the Group's budgets and five year plan and recommend their presentation to the Board and, following their adoption, the achievement of the budgets and plans;
- To oversee the effective management of the current and future balance sheet of Vanquis Banking Group plc in line with its chosen strategy and approved risk appetite, under normal and under stress conditions;
- To receive and to review product line reports monitoring performance against targets, to include performance against expected customer outcomes;
- To develop and review budgets to ensure that they fall within the agreed Group targets;
- To determine the limits, procedures and policies required to manage Vanquis Banking Group plc's balance sheet risks in consultation with the Risk Committee and within the Board approved risk appetite;
- To optimise the allocation and adequacy of the Group's resources; and
- To ensure the active liaison, co-ordination and co-operation between product

lines.

9.3 Human Resources, Culture and Values (SMF 1 PR B-1, C, E, H, T and OR 1)

- The Executive Committee will actively promote the Group's Culture and Values, and receive access to sufficient MI (Customer and Blueprint Dashboards) to oversee that cultural values are being met;
- Develop, oversee and maintain the Group's organisational design including agreeing the organisational design principles to ensure alignment with the strategic objectives of the Group;
- Review and approve organisational changes which require formal and informal consultation with colleagues;
- Review and approve new senior executive roles (at the discretion of the CEO)
- Review the allocation of FTE/HC budgets across the Group, agreeing to re-allocate as appropriate to meet business needs;
- Oversee appropriate levels of authority are delegated to senior management throughout through role profiles and the allocation of all prescribed and other responsibilities under SMCR;
- Oversee adequate training and development is in place for all colleagues including the necessary training and reporting in relation to individual conduct rules is completed;
- Oversee the provision of adequate management development and succession;
- Develop and implement the colleague proposition; and
- Develop and implement appropriate remuneration structures within the business below the level of the responsibilities of the Remuneration Committee.

9.4 Business Structure and Risk Management

- To review the corporate organisational structure of the Group, making recommendations for change where required;
- To oversee and manage the execution of any relevant Change/Transformation Projects;
- To receive regular reports on the status of any relevant Change/Transformation Projects including the delivery, risk, key exposures, and risk mitigation plans in conjunction with the opinions from Risk, Internal Audit or external stakeholders as necessary;
- To commission Deep Dives to assess progress of any underlying work streams as mandated by the Committee;
- To oversee and address material risk and control matters across the Group including but not limited to conduct risk, credit risk, business risk, operational risk, reputational risk, cyber risk, pension risk, climate risk, balance sheet risk and compliance risk (including financial crime) and will consider, debate and approve

such risk items by exception;

- To consider the Group's risk management framework, risk appetite and principal risk policies and reports before submission to the Board for approval and take action in relation to the issues raised in the risk reports as it considers appropriate;
- To review the risk management strategy and governance arrangements;
- To support and embed a risk culture underpinned by leadership behaviours which support colleagues to deliver the Group's purpose and blueprint behaviours;
- To assess, review and challenge reports on all material risk issues and effectiveness of controls and take action as required;
- To ensure that risk considerations are incorporated within the strategic planning and budgeting processes;
- To monitor and manage any recovery and resolution plans and activities and received regular updates on developments and progress as required;
- To receive and review General Counsel Reports including key legal risks and developments affecting the Group;
- To consider the results of any whistleblowing investigations whilst maintaining the confidentiality of any whistleblower, periodically advising the Board of the same and any actions taken;
- To review the Wind Down Plan, ICAAP and ILAAP prior to their recommendation to the Risk Committee;
- To ensure compliance with relevant legislation and regulations;
- To ensure that all regulatory interactions are effectively coordinated and any material actions or breaches are managed;
- Consider regulatory horizon scanning reports and ensure effective programs are in place to manage emerging regulatory risks;
- To review and assess the annual compliance monitoring plan;
- Review regular reports on financial crime (AML, Fraud and Anti-Bribery) from the MLRO; and
- Review regular reports from the CIO about information and data security;
- Safeguard the integrity of management information and financial reporting systems.

9.5 Internal Audit

- Review and assess the annual internal audit plan;
- Receive regular report from the Chief Internal Auditor on audit findings; and
- Review and monitor management's responsiveness to IA findings including timely and effective closure of significant findings.

9.6 Executive Committee Reports

- To receive reports from the Executive Committees in the management governance structure on their activities, not otherwise covered in this ToR, by virtue of updates (written or verbal as appropriate) from the Executive Chair of each Committee. Including but not limited to: Change Committee, Loans Executive Committee, Vehicle Finance Executive Committee, Cards Executive Committee, Group and Bank ALCO, IT Risk and Control Meeting, COO Committee, Climate Risk Committee, Credit Risk Executive Committee and Model Risk Executive Committee.

9.7 Business Development

- To identify, and once approved by the Board, execute new business opportunities outside the current core activities, including geographic diversification;
- To examine all trade investments, divestments and major capital expenditure proposals and recommend to the Board of those which, in a group context, are material either by nature or cost;
- To approve all strategic or material alliances and partnership agreements, including all joint venture agreements.

10. Communication

Prior to approval by the Board, the review of any circulars, prospectuses, listing particulars or press releases and announcements concerning matters decided by the Board.

11. Reporting Responsibilities

The Chief Executive (Interim Executive Chair) shall report formally to the Board, at each Board meeting, on the proceedings of the Committee since the previous Board meeting.

12. Change Control

Date	Summary of Changes	Approved by
22 January 2018	Creation of newly generated Terms of Reference	PF ExCo 22 January 2018
12 July 2021	Membership Updated	Membership changes approved by CEO
19 July 2021	Membership Updated	Membership changes approved by CEO
Feb 2022	Rebranded and rewritten to align to IPFG management governance structure	Draft
Feb 2023	Updated for change of plc name and	None required

	Consumer Duty	
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