

Board of Directors

Terms of Reference

Date: September 2026

BOARD

TERMS OF REFERENCE

PURPOSE

1. The Board is responsible for the long-term success of the Group and for promoting sustainable value creation for shareholders and other stakeholders. The Board provides leadership within a framework of prudent and effective controls and is accountable for strategy, culture, governance, risk appetite, financial resilience and oversight of management.
2. The Board is constituted in accordance with the requirements of the Companies Act 2006 and, by extension, the QCA Code, for maintaining the Company's regulatory authorisations. These Terms of Reference should be read in conjunction with the Company's constitution which is defined within its Memorandum and Articles of Association.
3. The Board is accountable to the Company's stakeholders for the conduct of its business and ensuring this is undertaken in a prudent and effective manner.
4. The Board has group-level decision-making responsibility and exercises its accountabilities through its own activities and through delegation to Board committees, Executive Committees and, where appropriate, the boards of its Group entities.

DEFINITIONS

Board	the board of directors of the Company
Board Chair	the chair of the Board
Board Committee	any of the relevant sub-committees of the Board
Committee Chair	The chair of a relevant Board Committee
Company	Distribution Finance Capital Holdings PLC
Directors	the directors of the Company and "Director" means any one of them
Group	the Company and its subsidiaries
INED	The independent non-executive directors of the Company and "INED" means any one of them
QCA Code	the QCA Corporate Governance Code (2023).

AUTHORITY

5. The Board may:
 - 5.1 exercise all powers of the Company not reserved to shareholders;
 - 5.2 delegate authority to Board Committees and the executive;
 - 5.3 investigate any activity within its terms of reference;
 - 5.4 obtain any information it reasonably requires from any employee, officer or contractor of the Group;

- 5.5 obtain external legal, accounting or other professional advice at the expense of the Company.

CHAIR

6. **Appointment of Chair:** The Board Chair who shall be an independent non-executive director approved by the FCA and PRA as SMF9. In the absence of the Board Chair and/or the appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.
7. The Board Chair shall not be eligible to be appointed as a Committee Chair but may serve on a Board Committee as an additional member if they were considered independent on appointment as Chair.
8. The Board Chair should make themselves available at each annual general meeting of the Company to answer questions concerning the Committee's work.
9. **Chair Responsibilities.** The Board Chair shall be responsible for:
- (a) Leading the Board and ensuring its effective operation;
 - (b) Setting the Board agenda and facilitating effective discussion and challenge;
 - (c) ensuring that the Board addresses all of the tasks delegated to it;
 - (d) lead the annual review of the Board's effectiveness.
10. The Board will allow sufficient time and resources for the Board Chair to deal with matters relating to the discharge of any individual responsibilities allocated to them under the Senior Managers Regime.

MEMBERS

11. The members of the Board shall be:

Members	Chair	Deputy Chair
Independent Non-Executive Chair INEDs Non-Executive Directors Executive Directors - CEO/CFO	Independent Non-Executive Chair	Senior INED

12. **Appointment of Board members:** The members of the Board shall be appointed on the recommendation of the Remuneration and Nomination Committee of the Company in consultation with the Board Chair. The following are requirements for membership of the Board:
- 12.1 **Membership:** a minimum of 6 members; it is recognised that the number of members may fall below three for temporary periods due to departures pending new appointments.
- 12.2 **Independence:** a minimum of three of the Non-Executive Directors shall be independent;

- 12.3 Relevant experience:** The Board as a whole shall have competence relevant to the sector in which the Company operates. All non-executive directors must be deemed ‘fit and proper’ to perform the non-executive director role upon appointment, and annually thereafter, by the Remuneration and Nomination Committee.
- 12.4 Tenure:** subject to annual re-election of directors at the Company’s annual general meeting and subject to annual review of the Board’s composition, appointments to the Board shall be for periods of up to three years, which may be extended for no more than two additional three-year periods, provided the members (other than the Chair of the Board) continue to meet the criteria for membership of the Board and independence is considered in accordance with the QCA Code.
- 13. Other attendees at meetings:** The following persons are invited to the Board by standing invite:

Invited Attendees
Company Secretary/Assistant Company Secretary
Chief Risk Officer
Chief Revenue Officer

- 13.1** Any other persons are invited to the Board by prior arrangement with the Board Chair with input from the CEO (based on the subject of discussion).

QUORUM

- 14.** The quorum for decisions of the Board shall be three directors, including not less than two independent non-executive directors and one executive director.

SECRETARY

- 15.** The Company Secretary or their nominee shall be Secretary of the Board and will ensure that the Board receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.
- 16.** The Secretary will keep minutes of the proceedings and resolutions. Draft minutes shall be circulated promptly to the Board Chair and subject to all members of the Board for their review.

RESPONSIBILITIES

- 17.** The Board shall, on behalf of the Company carry out the roles/responsibilities referred to in Board Reserved Matters and Delegated Authority Schedule. In addition, it shall also:
- 17.1** Undertake an annual assessment of its effectiveness, composition, skills and performance.
- 17.2** Coordinate with Board Committees where appropriate and ensure significant matters are communicated appropriately to support effective governance.
- 17.3** Review periodically, the adequacy, quality and effectiveness of management information provided to the Board.

VOTING ARRANGEMENTS

- 18.** Resolutions of the Board shall be passed by a majority of votes.
- 19.** Each member of the Board shall have one vote which may be cast on matters discussed at the meeting. Votes can be cast by members attending a meeting of the Board, and subject to the Board Chair's discretion, members unable to attend a meeting may submit their votes in advance, provided that such votes are received within a sufficient timeframe before the meeting.
- 20.** If a matter that is considered by the Board is one where a member of the Board, either directly or indirectly, has a personal interest, that member shall not be permitted to vote at the meeting in respect of that matter.

PROCEDURE AND FREQUENCY OF MEETINGS

- 21.** Notwithstanding the quorum requirements for the Board, all members of the Board should endeavour to attend all meetings of the Board at which the contents of the Board's annual report to shareholders are discussed.
- 22.** Meetings of the Board:
 - 22.1** shall be held with sufficient frequency to allow the Board Chair to discharge their responsibilities effectively and at such other times as the Board Chair requires
 - 22.2** may be held by telephone or video conference; and
 - 22.3** may be called by the Secretary of the Committee at the request of any member of the Committee.