

Dated *29 October* 2019
REMUNERATION COMMITTEE TERMS OF
REFERENCE

ZAIM CREDIT SYSTEMS PLC

1 CONSTITUTION

The Committee was constituted at a full meeting of the board of directors held on 29/10/2019 in accordance with the articles of association of Zaim Credit Systems Plc (the "Company").

2 DUTIES AND TERMS OF REFERENCE

- 2.1 The Committee shall determine and agree with the board the framework or broad policy for the remuneration of the Company's chairperson and the executive directors, including pension rights and compensation payments. The remuneration of non-executive directors shall be a matter for the board or the shareholders (within the limits set in the articles of association). No director or senior manager shall be involved in any decisions as to their own remuneration. The Committee shall recommend and monitor the level and structure of remuneration for senior management.
- 2.2 The Committee shall seek to develop remuneration packages which:
- (a) motivate directors and support the delivery of business objectives in the short, medium and long-term;
 - (b) align the interests of the executive directors with the interests of long-term shareholders;
 - (c) encourage executives to operate within the risk parameters set by the board; and
 - (d) ensure that the Company can recruit and retain high-quality executives through packages which are fair and attractive, but not excessive.
- 2.3 In determining such policy, the Committee shall take into account all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of relevant guidance. The objective of such policy shall be to attract, retain and motivate the executive management of the company without paying more than necessary. The remuneration policy bears in mind the Company's appetite for risk and be aligned to the Company's long term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and be designed to promote the long term success of the Company.
- 2.4 When setting remuneration policy for directors of the Company, the Committee shall review and have regard to the pay and employment conditions across the company or group, especially when determining salary increases.
- 2.5 In determining remuneration packages and arrangements, the Committee shall give due regard to any relevant regulatory and legal requirements including the provisions and recommendations of the QCA Remuneration Committee Guide for Small and Mid-Size Quoted Companies and the QCA Corporate Governance Code (the "QCA Documents").
- 2.6 The Committee shall review the ongoing appropriateness and relevance of the remuneration policy.
- 2.7 The Committee shall approve the design of, and determine targets for, any performance related pay schemes operated by the company and approve the total annual payments made under such schemes.
- 2.8 The Committee shall review the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

- 2.9 The Committee shall review the design of all share incentive plans (including share option schemes, long-term incentive plans and carried interest schemes) for approval by the board and shareholders of the Company. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, the Company Secretary and other senior executives and the performance targets to be used.
- 2.10 The Committee shall determine the policy for, and scope of, pension arrangements for each executive director and other senior executives.
- 2.11 Within the terms of the agreed policy and in consultation with the Chairperson and/or Chief Executive as appropriate, the Committee shall determine the total individual remuneration package of the chairperson, each executive director, the Company Secretary and other senior executives including bonuses, incentive payments and share options or other share awards.
- 2.12 The Committee shall:
- (a) ensure that contractual terms on termination and any payments made are fair to the individual and the Company; that failure is not rewarded and the duty to mitigate loss is fully recognised;
 - (b) oversee any major changes in employee benefits structures throughout the company or group; and
 - (c) agree the policy for authorising claims for expenses from the directors of the Company.
- 2.13 The Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 2.14 The Committee shall obtain reliable, up-to-date information about remuneration in other companies of comparable scale. The Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary to help it fulfil its obligations within any budgetary restraints imposed by the board of directors.
- 2.15 The Committee shall consider such other matters as may be requested by the board of directors and work and liaise as necessary with all other board committees.

3 MEMBERSHIP

- 3.1 The board of directors of the Company shall appoint the Committee chairperson who shall be an independent non-executive director. In the absence of the Committee chairperson and/or an 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. The chairperson of the board shall not be chairperson of the Committee.
- 3.2 The members of the Committee shall be appointed by the board of directors in consultation with the chairperson of the Committee. The Company shall seek to ensure that the members of the Committee consists of at least two independent non-executive directors. Appointments to the Committee 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 continue to be independent. The chairperson of the board of directors may also serve on the Committee as an additional member, but not the chair the Committee, if he or she is not considered to be independent.

- 3.3 A quorum shall be any two members of the Committee. The members of the Committee can be varied at any time by a majority resolution of the existing members of the Committee save that any additional appointment must still be an independent non-executive director.

4 VOTING ARRANGEMENTS

- 4.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.
- 4.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 4.3 Any matter to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose.
- 4.4 Save where he has a personal interest, the chairperson will have a casting vote.

5 ATTENDANCE AT MEETINGS

- 5.1 The Committee will meet at least twice a year. The Committee may meet at other times during the year as required.
- 5.2 Only members of the Committee have the right to attend and vote at Committee meetings but other directors and external advisers may be invited to attend all or part of any meeting, as and when appropriate.
- 5.3 The Company Secretary or his or her nominee shall be the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

6 NOTICE OF MEETINGS

- 6.1 Meetings of the Committee shall be summoned by the secretary or any other member of the Committee at the request of any of the chairperson.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member and any other person required to attend no later than five working days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee and to other attendees (as appropriate) at the same time.
- 6.3 Meetings of the Committee may be conducted when the members are physically present or in the form of either a video or audio conference.
- 6.4 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way

7 AUTHORITY

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. The Committee is authorised by the board of directors to examine any activity within its terms of reference and is authorised to obtain, at the Company's expense, legal or professional advice on any matter within its terms of reference. The Committee is also authorised to seek any information it requires from any employee or director, and all such

employees or directors will be directed to co-operate with any request made by the Committee.

8 REPORTING

- 8.1 The proceedings and resolutions of the Committee meetings, including the names of those present and in attendance shall be minuted by the Company Secretary, or if the Company Secretary is not available, such other member of the Committee as the chairperson of the Committee shall nominate.
- 8.2 Draft minutes of each meeting will be circulated promptly to all members of the Committee. Once approved, the minutes of each meeting will be circulated to all other members of the board of directors unless, in the opinion of the chairperson, it would be inappropriate to do so. The Committee chairperson shall report to the board of directors on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.3 The Committee shall compile a report to shareholders on its activities and the Company's remuneration policy to be included in the Company's annual report, having regard to matters communicated to it by the auditor and all other information requirements set out in the QCA Documents.

9 GENERAL MATTERS

- 9.1 The chairperson of the Committee should make him or herself available at each Annual General Meeting of the Company to answer questions concerning the Committee's work.
- 9.2 The Committee shall arrange for periodic reviews of its own performance (considering the guidance in Principle 7 of the QCA Code) and, at least once a year, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board of directors for approval.
- 9.3 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required and be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members
- 9.4 The Committee shall give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non listed companies and formation and operation of share schemes as appropriate.
- 9.5 The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.6 The Committee shall ensure that provisions regarding disclosure of information, including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and the UK Corporate Governance Code, are fulfilled and produce a report of the Company's remuneration policy and practices to be included in the Company's annual report and ensure each year that it is put to shareholders for approval at the Annual General Meeting. If the Committee has appointed remuneration consultants, the annual report of the company's remuneration policy should identify such consultants and state whether they have any other connection with the Company.

Through the chairperson of the board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.