



Corporate Governance Guidelines

Pay Later Group Limited

August 2021

What is the purpose of this policy?

The Board of Directors (the "Board") of Pay Later Group Limited ("FNPL", "we", "our" or "us") and its associated entities (which includes Pay Later Group Limited and the other group companies) has adopted the following Corporate Governance Guidelines (the "Guidelines") to assist the Board in the exercise of its responsibilities and serve the long-term benefit of the Company.

These Guidelines should be interpreted in the context of all applicable laws, the Company's articles and other corporate governance documents. These Guidelines acknowledge the leadership exercised by the Board's standing committees and their chairs and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations.

The Guidelines are subject to modification from time to time by the Board as the Board may deem appropriate and in the best interests of the Company or as required by applicable laws and regulations.

Introduction

FNPL has adopted the latest version of the UK Corporate Governance Code (the "Code") which applies to accounting periods beginning on or after the 1 January 2019.

Corporate governance refers to oversight and decision-making related to strategic direction, financial planning and laws. Corporate governance is about establishing controls and guidance that provide direction and constraints upon how decisions are made and actions taken. Management is the actual making of those decisions and orchestrating the actions resulting from those decisions. Management is about the decisions and delivery of work related to the operations of the business.

The Guidelines set out the company governance framework based on a set of core principles and practices adapted to the FNPL business setup, culture and scale, reflecting:

- The company articles and general law that set out certain practices and principles which we must follow.
- A wide range of best practices and guidance on company governance - large and small, which we must tune to our size and scale.
- FNPL values and beliefs, overall business architecture and company model that we want to reinforce.
- The investor consents and any specific matters that we must adhere to.

The governance framework will evolve as we mature and scale; for example committees for audit, risk, remuneration etc may be needed and international requirements arising from companies outside the UK will impose local geographically based governance.

The Board

Director Qualification Standards and Additional Selection Criteria

In recommending director candidates, and the Board, The Nominations Committee will evaluate candidates in accordance with the qualification standards set forth in Schedule A. In addition; in nominating director candidates the Nominations Committee and the Board may also consider the additional selection criteria listed in Schedule A.

Director Orientation and Continuing Education

Management will provide an orientation process for new directors, including background material on the Company and its business. As appropriate, management will provide opportunities for additional educational sessions for directors on matters relevant to the Company and its business.

Service on Other Boards

The Board of FNPL recognizes that its members benefit from service on the boards of other companies and it encourages such service. However, the Board also strongly believes that it is crucial that directors have the opportunity to dedicate adequate time to their service on the Company's Board.

Moreover as the Company policy, a director may not serve on the boards of more than four other public companies, provided that, any director who also serves as the chief executive officer of a public company or in an equivalent position should not serve on more than two public company boards in addition to the Company's Board.

Prior to accepting any position on the board of directors of any organization, current directors should notify the Chair of the Nomination. The Chair of the Nomination Committee shall review the proposed board membership to ensure compliance with applicable laws and policies.

Service on other boards and/or committees should be consistent with the Company's conflict of interest policies. Board members should not serve on the boards of competitors or potential competitors to the Company, as determined by the Nomination Committee.

Resignation & Material Changes

When a director, including any director who is currently an officer or employee of the Company, resigns or materially changes his or her position with his or her employer or becomes aware of circumstances that may adversely reflect upon the director or the Company, such director should notify the Chair of the Nomination Committee of such circumstances. The Chair of the Nomination Committee will consider the circumstances and may in certain cases recommend that the Board request that the director submit his or her resignation from the Board if, for example, continuing service on the Board by the individual is not consistent with the criteria deemed necessary for continuing service on the Board.

Term of Office

Given the early stage nature of the business, the Board does not believe it is in the best interests of the Company to establish term limits at this time. Additionally, such term limits may cause the Company to lose the contribution of directors who have been able to develop, over a period, increasing insight into the Company's business and therefore can provide an increasingly significant contribution to the Board.

Director Responsibilities

The business and affairs of the Company will be managed by or under the direction of the Board, including through one or more of its committees. Each director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. These include:

- exercising their business judgment in good faith;
- acting in what they reasonably believe to be the best interest of the Company;
- considering the interests of the Company's (i) shareholders and (other stakeholders
- becoming and remaining well-informed about the Company's business and operations and general business and economic trends affecting the Company; and
- ensuring that the business of the Company is conducted for the long-term benefit of the Company

Compensation

The Board believes that director compensation should fairly pay directors for work required in a business of the Company's size and scope, and that compensation should align directors' interests with the long-term interest of the Company. The Remuneration Committee will review and make recommendations to the Board regarding the compensation of directors. The Company's executive officers do not receive additional compensation for their service as directors.

Members of the Audit, Credit, Remuneration and Nomination Committee may not directly or indirectly receive any compensation from the Company other than their directors' compensation, including any compensation for service on committees of the Board and the receipt of equity incentive awards.

Conflicts of Interest

Each director has an obligation to conduct the Company's business in an honest and ethical manner, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. The Company has adopted, among other things, a Code of Conduct, an Anti-Bribery and Corruption Policy, Diversity and Inclusion Policy, and Human Rights and Modern Slavery Policy. Directors are expected to be familiar with and to adhere to the above listed policies and procedures.

Board Access to Senior Management

The Board will have complete access to Company management in order to ensure that directors can ask any questions and receive all information necessary to perform their duties. Directors should exercise judgment to ensure that their contact with management does not distract managers from their jobs or disturb the business operations of the Company. The Board may specify a protocol for making such inquiries.

Board Access to Independent Advisors

The Board committees may hire independent advisors as set forth in their applicable charters. The Board as a whole shall have access to any independent advisor retained by the Company, and the Board may hire any independent advisor it considers necessary to discharge its responsibilities.

Board Interaction with Stakeholders

As a general matter, the Company's policy is that management speaks on behalf of the Company. Accordingly, directors should refer all inquiries from investors, analysts, the press or others to the Chief Executive Officer or his or her designee.

However, it is expected that Independent Directors, including the Chair of the Board or the lead director (to the extent that the Chair of the Board is not an Independent Director), as appropriate, may from time to time meet or otherwise communicate with the Company's stakeholders and external constituents,

including shareholders. It is expected that those meetings or communications will be coordinated through management.

Board Meetings

Frequency of Meetings

The Board will meet at least four (4) times annually. In addition, special meetings may be called from time to time as determined by the needs of the business. It is the responsibility of the directors to attend meetings.

Director Attendance

A director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. Accordingly, a director is expected to regularly prepare for and attend, either in person or by videoconference, meetings of the Board and all committees on which the director sits (including separate meetings of the Independent Directors). A director who is unable to attend a meeting of the Board or a committee of the Board is expected to notify the Chair of the Board or the Chair of the appropriate committee in advance of such meeting, and, whenever possible, participate in such meeting via teleconference in the case of an in-person meeting.

Attendance of Non-Directors

The Board encourages the Chair of the Board or of any committee to invite Company management and outside advisors or consultants from time to time to participate in Board and/or committee meetings to (i) provide insight into items being discussed by the Board which involve the manager, advisor or consultant, (ii) make presentations to the Board on matters which involve the manager, advisor or consultant, and (iii) bring managers with high potential into contact with the Board. Attendance of non-directors at Board meetings is at the discretion of the Board.

Advance Receipt of Meeting Materials

Information regarding the topics to be considered at a meeting is essential to the Board's understanding of the business and the preparation of the directors for a productive meeting. To the extent feasible, the meeting agenda and any written materials relating to each Board meeting will be distributed to the directors sufficiently in advance (72 hours) of each meeting to allow for meaningful review of such agenda and materials by the directors. Directors are expected to have reviewed and be prepared to discuss all materials distributed in advance of any meeting.

Committee Matters

The Board currently has four (4) standing committees:

- the Audit Committee,
- the Group Credit Committee,
- the Remuneration Committee, and
- the Nomination Committee.

Each committee will perform its duties as assigned by the Board in compliance with the Company's bylaws and the committee's charter. It is the responsibility of the directors to attend the meetings of the committees on which they serve.

Succession Planning

The Board (or a committee delegated by the Board) will (i) work on a periodic basis with the Chief Executive Officer to evaluate the Company's succession plans upon the Chief Executive Officer's retirement and in the event of an unexpected occurrence, and (ii) periodically review the performance of the Chief Executive Officer.

Version Control

Version	18 th August 2021
Policy owner	Executive Committee
Review cycle	Periodically

Schedule A

Director Qualification Standards and Additional Selection Criteria

Director Qualification Standards

The Nomination Committee, in recommending director candidates for election to the Board, and the Board, in nominating director candidates, will consider candidates who have a high level of personal and professional integrity, strong ethics and values and the ability to make mature business judgments.

Additional Selection Criteria

In evaluating director candidates, the Nomination Committee and the Board may also consider the following criteria as well as any other factor that they deem to be relevant:

- The candidate's experience in corporate management, such as serving as an officer or former officer of a publicly held company;
- The candidate's experience as a board member of another publicly held company;
- The candidate's professional and academic experience relevant to the Company's industry;
- The strength of the candidate's leadership skills;
- The candidate's experience in finance and accounting and / or executive compensation practices;
- Whether the candidate has the time required for preparation, participation and attendance at Board meetings and committee meetings, if applicable.

In addition, the Board will consider whether there are potential conflicts of interest with the candidate's other personal and professional pursuits.

The Company is committed to growing and cultivating an environment rich in different backgrounds by recruiting, developing and retaining individuals of all genders, ethnicities, sexual orientations, gender identities, gender expressions, generations and life experiences.

Each individual will be evaluated in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of the Company's business while also advancing the Company's goal to foster an environment rich in diverse backgrounds, perspectives, and experiences.