



Wise plc

("the Company")

Matters reserved for the Board and Terms of Reference

1 Purpose

This document sets out the role and responsibilities of the Board in accordance with Provision 14 of the UK Corporate Governance Code 2018 (the "**Code**").

The responsibilities of the Board include adhering to a formal schedule of matters reserved for the decision of the Board, as recommended by the FRC Guidance on Board Effectiveness 2018 (the "**Guidance**").

References to the "**Company**" mean Wise plc.

References to the "**Board**" mean the board of directors of the Company.

References to the "**Group**" mean the Company together with its subsidiary undertakings.

2 Role of the Board

2.1 The role of the Board is to provide entrepreneurial leadership to the Company and the Group, within a framework of effective controls. The Board is collectively responsible for the Company's and Group's long term success and delivery of value to shareholders and stakeholders.

2.2 The Board, led by the Chair, takes responsibility for the overall leadership of the Company and in doing so, may exercise all powers of the Company, subject to the Articles of Association ("Articles") and all relevant laws and regulations.

3 Specific responsibilities and matters reserved for the Board

3.1 Strategy and Oversight

3.1.1 Establishment and approval of the Group's strategic aims and objectives as recommended by the Leadership Team.

3.1.2 Approval of the annual operating and capital expenditure budgets and any material changes to them.

3.1.3 Oversight of the Group's operations, ensuring that the necessary resources are in place for the Group to meet its objectives and to measure performance against them, including:

- competent and prudent management;
- sound planning;
- maintenance of sound risk management and internal control systems;
- adequate accounting and other records; and
- compliance with statutory and regulatory obligations.

3.1.4 Assessment of the basis on which the Company/Group generates and preserves value long-term and description in the annual report of how the Board has dealt with opportunities and risks, the sustainability of the Company/Group's business model and how the Company's governance contributes to the delivery of its strategy.

3.1.5 Monitoring of performance in the light of the Group's strategic aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.

3.1.6 Oversight and approval of the extension of the Group's activities into new business ventures.

3.1.7 Any decision to cease to operate all or any material part of the Group's business.

3.1.8 Oversight and approval of the Group's Environment, Social and Governance ("ESG") strategy.

3.1.9 Communication of key information and decisions to the Group.

3.2 Culture, purpose and values

3.2.1 Establishment of the Company/Group's purpose, values and strategy and ensuring that these are aligned with the Company/Group's culture.

3.2.2 Assessment and monitoring of culture, seeking assurance that corrective action has been taken where necessary and explaining the Board's activities and its approach to investing in and rewarding the workforce.

3.2.3 Ensuring workforce policies and practice support the Company's long-term sustainable success and are consistent with the Company/Group's values.

3.3 Structure and capital

3.3.1 Approval of changes to domicile or status of any subsidiary company.

3.3.2 Changes relating to the Group's capital structure including reductions of capital, share issues (except under employee share plans) and share buybacks including the use of any treasury shares.

3.3.3 Major changes to the Group's corporate structure including, but not limited to, acquisitions and disposals of shares which are material, relative to the size of the Group, taking into account initial and deferred consideration (including, but not limited to), all acquisitions and disposals of shares with an aggregate market value greater than 5% of the market capitalisation of the Group.

- 3.3.4 Changes to the Group's management and control structure.
- 3.3.5 Any changes to the Company's listing or its status as a plc.
- 3.3.6 Approval of any proposed alteration to the articles of association of the Company.
- 3.3.7 Changes relating to the Company's dual class share structure and the rights given thereto.

3.4 Financial reporting and controls

- 3.4.1 Establishment of formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfying itself on the integrity of financial and narrative statements.
- 3.4.2 Presentation of a fair, balanced and understandable assessment of the Company/Group's position and prospects.
- 3.4.3 Establishment and maintenance of a Group Audit & Risk Committee ("ARC") and requesting and taking of audit committee advice as required.
- 3.4.4 Approval of the half-yearly report, interim trading updates or reports (if published) and any preliminary announcements of the final results, as recommended by the ARC.
- 3.4.5 Approval of the annual report and accounts, including the corporate governance statement and directors' remuneration report.
- 3.4.6 Stating in annual and half-yearly financial statements whether the Board considers it appropriate to adopt the going concern basis of accounting in preparing those statements and identifying any material uncertainties to the Company's ability to continue to do so over at least the next twelve months.
- 3.4.7 Explaining in the annual report how the Board has assessed the prospects of the Company/Group, over what period it has done so and why it considers that period to be appropriate (taking into account the current position and principal risks). Stating whether the Board has a reasonable expectation that the Company/Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, drawing attention to any qualifications or assumptions as necessary.
- 3.4.8 Approval of the dividend policy.
- 3.4.9 Declaration of an interim dividend and recommendation of the final dividend.
- 3.4.10 Approval of any significant changes in accounting policies or practices.
- 3.4.11 Approval of the Group's annual financing plan.
- 3.4.12 Approval of treasury policies including foreign currency exposure and the use of financial derivatives.
- 3.4.13 Approval of material unbudgeted capital or operating expenditures (outside pre-determined tolerances).

3.5 Internal controls

3.5.1 Establishment and maintenance of a framework of prudent and effective controls, to enable risk to be assessed and managed, including:

- determination of the nature and extent of the principal risks the Company/Group is willing to take in order to achieve its long-term strategic objectives;
- approving the Company/Group's risk appetite statements;
- robustly assessing the Company's/Group's emerging and principal risks;
- oversight and monitoring of the risk management and internal control framework and systems which covers all material controls, including financial, operational and compliance controls;
- approving procedures for the detection of fraud and the prevention of bribery;
- undertaking an annual assessment of these processes; and
- approving an appropriate statement for inclusion in the annual report.

3.5.2 Ensuring the control, coordination and monitoring within the Company of risk and internal controls.

3.6 Contracts

3.6.1 Approval of major capital projects and oversight over execution and delivery.

3.6.2 Contracts which are material, strategically or by reason of size, entered into by the company or, in the case of a subsidiary, recommendations for approval in the ordinary course of business, for example, bank borrowings above approx. 1% of the Group Companies' aggregate annual revenue (based on most recent set of consolidated accounts) and acquisitions or disposals of fixed assets (including intangible assets such as intellectual property) above approx. 1% of the Group Companies' aggregate annual revenue (based on most recent set of consolidated accounts).

3.6.3 Contracts of the Company or any subsidiary not in the ordinary course of business, for example loans, guarantees and repayments above approx. 1% of the Group Companies' aggregate annual revenue (based on most recent set of consolidated accounts); foreign currency transactions above approx. 1% of the Group Companies' aggregate annual revenue (based on most recent set of consolidated accounts); major acquisitions or disposals above approx. 1% of the Group Companies' aggregate annual revenue (based on most recent set of consolidated accounts).

3.6.4 Major investments, including the acquisition or disposal of interests of more than 3% in the voting shares of any company or the making of any takeover offer.

3.7 Engagement and communication

- 3.7.1 Effective engagement with and participation from shareholders and stakeholders on an ongoing basis so that the Board has a clear understanding of the views of shareholders and the Company's other key stakeholders, and can describe in the annual report how stakeholder interests and the matters set out in Section 172 of the Companies Act 2006 have been considered in board discussions and decision-making.
- 3.7.2 Engagement with shareholders in relation to any resolution which was recommended by the Board, but opposed by 20% or more of the votes cast against that resolution and communication of the explanations recommended in the Code.
- 3.7.3 Approval of resolutions and corresponding documents to be put forward to shareholders at a general meeting.
- 3.7.4 Approval of all circulars, prospectuses and listing particulars.
- 3.7.5 Approval of press releases concerning matters decided by the Board.
- 3.7.6 Approval of mechanisms by which the Board will engage with the workforce in accordance with the recommendations of the Code and/or explaining what alternative arrangements are in place and why they are considered effective.
- 3.7.7 Routine review of the method for the workforce to raise concerns in confidence and (if they wish) anonymously and any reports arising from its operation, as well as the arrangements for the proportionate and independent investigation of such matters for follow-up action.
- 3.7.8 Approval of disclosures required to be published outside the annual report and accounts, including the Modern Slavery and supply chain statement, gender pay gap reports and payment practices reports.

3.8 Board membership and other appointments

- 3.8.1 Establishment and maintenance of a Nomination Committee to lead the process for nominations, succession planning and to ensure a diverse pipeline for succession.
- 3.8.2 Approval of changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.
- 3.8.3 Reviewing succession planning for the Board and senior management to maintain an appropriate balance of skills and experience within the company and on the Board, following recommendations from the Nomination Committee
- 3.8.4 Appointments to the Board and senior management, following recommendations by the Nomination Committee.
- 3.8.5 Membership and chairing of board committees following recommendations from the Nomination Committee.
- 3.8.6 Appointment or removal of the Company Secretary.

3.8.7 Appointment, re-appointment or removal of the external auditor to be put to shareholders for approval in the general meeting, following the recommendation of the Audit Committee.

3.8.8 Agree the policy in respect of executive directors accepting non-executive appointments outside the Company .

3.9 Remuneration

3.9.1 Establishment and maintenance of a Remuneration Committee.

3.9.2 Determining the remuneration policy for the directors, Company Secretary and other senior executives.

3.9.3 Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval, as appropriate.

3.9.4 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.

3.10 Delegation of authority

3.10.1 The division of responsibilities between the Chair, the Chief Executive and other executive directors should be clearly established, set out in writing and agreed by the Board.

3.10.2 The Board delegates power, authorities and discretions relating to the day to day management of the Group to the Chief Executive Officer, in accordance with such policies and directions as the Board may determine, with the exception of matters reserved to the Board. The Chief Executive Officer may sub-delegate their powers, authorities and discretions within limits set by the Board.

3.10.3 Approval of the delegated levels of authority, including the Chief Executive's authority limits (which must be in writing).

3.10.4 Establishing Board committees and approving their terms of reference and any material changes to their terms of reference.

3.10.5 Receiving regular updates from board committees on their activities.

3.11 Corporate governance matters

3.11.1 Undertaking an annual review of its own performance, that of its committees and individual directors, and the division of responsibilities.

3.11.2 Determining the independence of each non-executive director in light of their character, judgment and relationships.

3.11.3 Oversight and review of the Group's overall corporate governance arrangements.

3.11.4 Receiving reports on the view of the Company's shareholders to ensure that they are communicated to the Board as a whole.

3.11.5 Ensuring (with the support of Company Secretariat) that the Board has the policies, processes, information, time and resources needed to function effectively and efficiently.

3.12 Policies

3.12.1 Approval of, and making changes to, policies, including in relation to:

- conduct;
- share dealings;
- health and safety;
- environment and sustainability;
- human resources;
- communications and disclosures of information;
- corporate social responsibility; and
- charitable donations.

3.13 Other

3.13.1 The making of political or philanthropic donations.

3.13.2 Prosecution, commencement, defence or settlement of litigation or an alternative dispute resolution mechanism involving equivalent of above 1% revenue or being otherwise material to the interests of the Group.

3.13.3 Major changes to the rules of the Group's pension scheme, or changes of trustees or when this is subject to the approval of the Company changes in the fund management arrangements.

3.13.4 Any decision likely to have a material impact on the Company/Group from any perspective, including, but not limited to, financial, operational, strategic or reputational.

4 Board Meeting Procedure

4.1 The quorum of a board meeting shall be three directors, one of whom will be the Chairperson or if they cannot attend, the Senior Independent Director.

4.2 The Board will meet with sufficient frequency to enable it to discharge duties effectively, and at such times as it may determine, but not less than four times a year.

4.3 Board members can attend meetings in person where possible, or via videoconference or telephone.

4.4 The Board will, on occasion, invite individuals to attend and present at Board meetings.

4.5 Agenda items for board meetings will be advised to the Company Secretariat, who will ensure that the Board receives information and papers in a timely

manner (not less than one week before the meeting) to enable full and proper consideration to be given to issues.

- 4.6 The Company Secretariat shall minute the proceedings and decisions of all board meetings, including recording the names of those present and in attendance and draft minutes of board meetings shall be circulated to all members of the Board.