

# ASTON MARTIN LAGONDA

## **ASTON MARTIN LAGONDA GLOBAL HOLDINGS PLC** **Board of Directors (“AMLGH Board”)**

### **Terms of Reference**

#### **Roles**

##### Chairman

The Chairman of Aston Martin Lagonda Global Holdings plc (AMLGH) as appointed by the AMLGH Board, or, in their absence, the Senior Independent Director or the Chairman appointed by the meeting.

##### Members

The AMLGH Board of Directors.

##### Observers

All Company EVPs and the VP - General Counsel & Company Secretary

##### Additional Invitees

At the invitation of the AMLGH Board, Executives and Function Heads may be requested to attend to present matters relating to their business or functions and for any other relevant items.

Specialists may be requested to attend for specific items or to make presentations to the AMLGH Board.

##### Quorum

The quorum shall be a minimum of 5 directors (and include the Chairman, or in their absence the Senior Independent Director, and the CEO).

##### Meeting Frequency & Notice

At least six times per year and ad hoc as required.

Regular meetings will be listed in an annual calendar.

All Directors will receive notice of at least 24 hours (whenever circumstances allow) of any ad hoc meeting to be held on short notice in which case telephonic access will be provided.

##### Secretary

VP – General Counsel & Company Secretary

***This Board receives its authority from AMLGH’s shareholders, who appoint the AMLGH Board.***

##### Relationship Agreements

For as long as the relationship agreements between the Company and (i) Adeem Automotive Manufacturing Company Limited, Asmar Limited, Primewagon (Jersey) Limited, Primewagon (UK) Limited and Stehwaz Automotive Jersey Limited; or (ii) Prestige Motor Holdings S.A. and

Preferred Prestige Motor Holdings S.A. remain in place, all matters marked with an asterisk in these Terms of Reference shall require the approval of the AMLGH Board by a two-thirds majority.

## **Purpose of this Board**

- The AMLGH Board is collectively responsible for the long-term success of AMLGH, the delivery of sustainable value to shareholders, and oversight of stakeholder relationships with our employees, customers, suppliers, and neighbours.
- The AMLGH Board's role is to provide leadership of AMLGH within a framework of prudent and effective controls which enables risk to be assessed and managed.
- The AMLGH Board is responsible for setting and guiding delivery of the strategic aims the Company and its subsidiaries (collectively, the "Group"), including delivery of The Aston Martin Lagonda Second Century Plan, the Group's current mid-term plan, and will review and approve any subsequent mid-term plan proposed by management.
- The AMLGH Board ensures that the necessary resources are in place for the Group to meet its obligations, is responsible for the allocation and raising of capital, and reviews business and financial performance.
- The AMLGH Board leads the development of the Group's values and standards and ensures that its obligations to its shareholders and others are understood and met.
- In carrying out the duties of the AMLGH Board, the directors will act in accordance with all relevant and applicable legislative and regulatory rules. In particular, they will take into account the Directors' Duties contained in the Companies Act 2006 and will consider the factors listed in Section 172 of the Companies Act 2006 and any other relevant factors.

## **Scope of this Board's oversight and responsibility**

The following matters are specifically reserved to the AMLGH Board. All other matters are delegated as set out in the following section. The AMLGH Board will:

### **Strategy**

1. Oversee execution of the Group's "Second Century mid-term plan" and hold executive management to account for its delivery.
2. Post execution of the "Second Century Plan", the Board will review and ultimately authorise plans set forth by management for the next mid-term plan, setting parameters for the strategies for each of the Group's businesses and ensuring a sustainable business model.
3. *Approve any material acquisition or disposal, in one or a series of related transactions, by the Company or any Group company of (a) any undertaking, business, company or securities of a company or (b) any assets or property (other than in the ordinary course of business)\*.*
4. Approve material joint ventures, strategic partnerships and alliances which are significant in terms of the business of AMLGH.
5. Consider longer term strategic threats to the Group's business operations.
6. *Approve any suspension, cessation or abandonment of any material activity of any Group company, any material change to the nature, primary focus of or geographical area of the business or the closing of any material operating establishment of the business.\**

## Group Values and Standards

1. Lead the development of the Group's values and standards.

## Risk (including Conduct) and Controls

1. Review and approve:-
  - (a) The Group-wide risk appetite framework ("the Framework").
  - (b) Risk appetite for strategic and material risks in accordance with the Framework.
2. Monitor performance against risk appetite for AMLGH.
3. Consider any material risks and approve, as appropriate, recommended actions.
4. Receive reports on and review the effectiveness of the risk management and internal control systems of AMLGH and approve any changes thereto.

## Financial

1. Approve AMLGH's key financial objectives.
2. Keep under review the capital and liquidity positions of the Group.
3. Review and approve proposals for the allocation of capital within the Group.
4. *Review and approve the Group's annual financial budget and business plan (and any material changes thereto).\**
5. Receive regular consolidated Financial Reports for the Group and review actual performance in the light of Group strategy, objectives, business plans and budgets.
6. Approve AMLGH's Annual Report and Accounts and its other published financial statements and other material and significant statements issued to shareholders or the London Stock Exchange.
7. Determine dividend policy and approve the amount of dividends to be recommended to shareholders and determine and make arrangements for the payment of interim dividends.
8. Review the application of accounting policies and practices, including approving significant changes in accounting policies and practices, and monitor the maintenance of adequate accounting and other records and systems of planning and internal control and inspection.
9. Make recommendations to shareholders for their approval in general meeting in relation to the appointment, re-appointment and removal of the External Auditor, following receipt of recommendations from the Group Audit Committee.
10. Approve expenditure over specified limits in relation to the Group.
11. Approve or recommend (as the case may be) any changes relating to AMLGH's capital structure including any reduction of capital, share issues or share buy backs, including the use of treasury shares.
12. *Incurring, issuing, guaranteeing or assuming any indebtedness or approving capital expenditure in excess of £10,000,000 (other than any indebtedness or capital expenditure provided in or contemplated by the Group's annual budget or its business plan previously approved in accordance with these Terms of Reference).\**

*13. Issuing any securities, or granting any person rights to be issued any securities, on a non-pre-emptive or non-pro-rata basis (other than in accordance with any equity incentive scheme approved by the AMLGH Board on recommendation of the Company's Remuneration Committee).\**

## **Legal, Regulatory and Governance**

1. Approve arrangements for Annual and other General Meetings, including approval of notices of meeting and any other ancillary documents.
2. Review and approve any changes to AMLGH's listing or its status as a public limited company.
3. Consider and, as appropriate, authorise any actual or potential conflicts of interest in accordance with the Companies Act 2006 and AMLGH's Articles of Association.
4. Approve the issue of all circulars, prospectuses and listing particulars to equity shareholders of AMLGH.
5. Approve high level corporate governance arrangements to ensure these reflect principles of good governance including transparency and accountability, and support the Group's values and sustainability of the business over the longer term.
6. Consider and approve changes to the structure, size and composition of the AMLGH Board and appointments to the AMLGH Board and its Committees. The Chairman and non-executive directors will approve performance assessment and remuneration arrangements for executive directors. Fees for non-executive directors will be approved by the Chairman and executive directors. The fee for the Chairman of AMLGH will be approved by the AMLGH Board, excluding the Chairman.
7. Ensure adequate succession planning for the AMLGH Board and senior management so as to maintain an appropriate balance of skills and experience within the Group and on the AMLGH Board.
8. Determine the independence of non-executive directors in light of their character, judgement and relationships.
9. Arrange a periodic assessment of the AMLGH Board's own performance, that of its committees and individual directors.
10. Approve the appointment of those corporate advisors which AMLGH is required to retain in accordance with its obligations as a listed company such as corporate brokers appointed in accordance with Rule 3 of the UK City Code on Takeovers and Mergers.
11. Approve the division of responsibilities and delegate levels of activity between the Chairman and the Group Chief Executive Officer.
12. Approve delegated authorities for expenditure limits.
13. Approve the overall levels of insurance including for directors and officers and indemnification of directors of AMLGH and its subsidiaries.
14. Review and as appropriate approve material pension strategy proposals.
15. Ensure a satisfactory dialogue with shareholders based on the mutual understanding of objectives.

16. Approve the appointment (or removal) of the Company Secretary.
17. *Approving any recommendation to the shareholders to change the size of the AMLGH Board.\**
18. *Approving any change in the size and composition of the Company's Nomination Committee.\**
19. *Appointing or dismissing any executive Directors\*.*
20. *Granting any equity incentive awards to employees of the Group under any of the Aston Martin Lagonda Performance Share Plan 2018, the Aston Martin Lagonda Deferred Share Bonus Plan 2018, the Aston Martin Lagonda Share Incentive Plan 2018 and the Aston Martin Lagonda SAYE Plan 2018 as described in the prospectus to be issued by the Company on or around 20 September 2018\*.*
21. Receive and consider high level reports on matters which it considers material to AMLGH as appropriate, including:
  - (a) relations with regulatory authorities;
  - (b) health and safety;
  - (c) information systems and technology;
  - (d) litigation and claims; and
  - (e) investor and public relations.

### **Authority Delegated by this Board**

- The matters specifically reserved to the AMLGH Board are set out above.
- To enable the AMLGH Board to carry out its objectives, authority will be delegated, subject to agreed terms of reference, to committees appointed by the AMLGH Board on either a standing or temporary basis, as required.
- In particular, there will be the following standing committees: Audit & Risk Committee, Remuneration Committee, Nomination Committee, each led by independent non-executive directors.
- All matters set out in those Board Committees' terms of reference are matters which the AMLGH Board has specifically delegated to those Board Committees.
- All other matters, including the day to day responsibility for operation of AMLGH not specifically reserved to the AMLGH Board or delegated to a committee are delegated to the Group Chief Executive Officer and Group Executive Committee, subject to any directions or terms of reference as the AMLGH Board may agree.
- The Group Executive Committee will provide executive input to the AMLGH Board, and will update the AMLGH Board, as required, on all operational activities. The Board Committees will report to the AMLGH Board on material matters considered.
- The terms of reference of these committees will be reviewed at least annually.

### **Conflicts of Interest**

Any actual or potential conflicts of interest will be managed in accordance with the Directors' Conflict of Interest Policy.

19<sup>th</sup> September 2018 – AMLGH Board