

## **Matters Reserved to the Board**

**(Adopted by the Board on 18 December 2003  
and last updated on 11 December 2018)**

### **Directors' duties**

It is the duty of the Company's Directors to promote the success of the Company for the benefit of members as a whole. Directors must have regard to sections 171 to 177 of the Companies Act 2006 which set out Directors' Duties in more detail. In doing so Directors must have regard, amongst other things, to the following:-

- a. the likely consequences of any decision in the long term;
- b. the interests of the Company's employees;
- c. the need to foster business relationships;
- d. the impact of the Company's operations on community and environment;
- e. the desirability of the Company maintaining reputation for high standards of business and conduct; and
- f. the need to act fairly as between members.

**The following matters are reserved to the Board for approval:**

### **Companies Act 2006 / Listing Rules requirements:**

- 1.1 Approval of announcements of final results, half year results and periodic trading statements;
- 1.2 Approval of annual reports and accounts and of half yearly reports, ensuring that they are in compliance with all applicable laws, regulations and the UK Corporate Governance Code. The Board should specifically confirm whether, taken as a whole, the Annual Report is fair, balanced and understandable, providing shareholders with the information necessary to assess the Company's performance, business model and strategy, taking into account consistency of disclosures between the front and back half of the Annual Report. The Board should also consider and approve the content of the Company's viability statement to be included in the Annual Report;
- 1.3 Approval of dividend policy including declarations of interim dividends and recommendations to shareholders of final dividends;
- 1.4 Approval of any significant changes in accounting policies or practices;
- 1.5 Approval of resolutions and supporting circulars to be issued to shareholders for consideration at general meetings, or circulars and prospectuses issued for any other purpose; and
- 1.6 Remuneration of external auditor and recommendations for appointment or removal of external auditor.

### **Strategy and Management of Business:**

- 2.1 Approval of the Group's strategy and annual operating budgets;
- 2.2 Review of performance in the light of the agreed strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken;

- 2.3 Oversight of the Group's operations, ensuring competent and prudent management, sound planning, adequate accounting and other record management and compliance with statutory and other regimes;
- 2.4 Approval of material changes to the business, geographic operation and corporate structure of the Group's activities;
- 2.5 Changes to the Company's capital structure, debt facilities or legal status, and major changes to the capital structure of any Group subsidiary;
- 2.5 Appointments of third parties to the boards of Group subsidiary companies;
- 2.6 Capital expenditure in accordance with the limits set out in the schedule of Delegated Powers and Levels of Authority issued from time to time;
- 2.7 Approval of Treasury policies (including foreign currency exposure and the use of financial derivatives);
- 2.8 Material contracts in the ordinary course of business above the financial limits as set out in the Delegated Powers and Levels of Authority;
- 2.9 Contracts not in the ordinary course of business;
- 2.10 Determining the nature and extent of the significant / strategic risks the Group is willing to take in achieving its strategic objectives and ensuring that the Group has an effective risk management strategy and internal control system in place. Confirming that the Group is taking appropriate actions to address any existing or emerging strategic risk through the existence of internal controls; and
- 2.12 Approval of the overall levels of insurance for the Group including Directors' and Officers' liability insurance and indemnification of Directors.

**Board membership and committees:**

- 3.1 Appointments, re-appointments and removals of Executive and Non-Executive Directors, following recommendations from the Nomination Committee, to ensure the Board is of an optimum size and composition to discharge its duties;
- 3.2 Appointment of the Chairman of the Board and the Chief Executive and the respective division of responsibilities between the roles;
- 3.3 Terms and conditions of appointment (including remuneration) of Non-Executive Directors (including the Chairman);
- 3.4 Board Committees – appointments and removals of members including Chairmanship;
- 3.5 Terms of reference of each Board Committee;
- 3.6 Receiving reports from Board Committees on their activities;
- 3.7 Delegations of authority by the Board;
- 3.8 Appointment of the Senior Independent Director;
- 3.9 Determining the independence of Directors;
- 3.10 Directorships of external companies by Directors and other senior employees;
- 3.11 Appointment and removal of the Company Secretary.

**Miscellaneous:**

- 4.1 Changes to the Group's pension schemes including funding level and changes of trustees;
- 4.2 Formulation of the policies regarding charitable and political donations, communications and corporate social responsibility;
- 4.3 Annual approval of the Group's Health and Safety policy, Environmental policy, Dealing Code, Dealing Policy and Dealing Procedures Manual, Business Code of Conduct, Whistle Blowing Service, Computer Use & Social Media policy, Corporate Responsibility policy and Anti-Bribery Procedures;
- 4.4 Annual approval and publication of a statement on modern slavery and human trafficking including oversight of compliance with legislation with an assessment of risks including due diligence of the supply chain;
- 4.5 Approval of the Group's principal professional advisors and auditor and any changes thereto;
- 4.6 Approval of new share incentive plans upon the recommendation of the Remuneration Committee (subject to shareholder approval);
- 4.7 Agree on specific objectives for the Board at the start of the financial year and monitor ongoing performance and achievement of those agreed objectives;
- 4.8 Undertaking a formal and rigorous annual review of its performance, its Committees and individual Directors taking into account the objectives agreed under 4.6 above. This annual review should be externally facilitated at least once every three years;
- 4.9 Setting of annual objectives for the Board and tracking progress against each throughout the year;
- 4.10 Oversight of the Group's overall corporate governance arrangements;
- 4.11 The prosecution, defence or settlement of major litigation (in accordance with the limits set out in the Delegated Powers and Levels of Authority);
- 4.12 Approval of all press releases concerning matters decided by the Board;
- 4.13 Receiving reports on the views of the Group's shareholders;
- 4.14 Any other matter reserved to the Board; and
- 4.15 Any proposed changes to this schedule of Matters Reserved for the Board.

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