

## **1. Strategy and Management**

- 1.1 Responsibility for the overall management of the Group. (UKC A.1)
- 1.2 Approval of the Group's long term objectives and commercial strategy and its annual business plan. (UKC A.1)
- 1.3 Responsibility for the consideration and approval or rejection of any expression of interest in or offer for the Group or a material part thereof.
- 1.4 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 1.5 Oversight of the Group's operations ensuring:-
  - 1.5.1 competent and prudent management;
  - 1.5.2 sound planning;
  - 1.5.3 an effective system of risk management and an adequate system of internal control;
  - 1.5.4 adequate accounting and other records; and
  - 1.5.5 compliance with statutory and regulatory obligations. (UKC C.2)
- 1.6 Ensuring adequate succession planning for the Board and senior management so as to maintain an appropriate balance of skills and experience within the Company and the Board (UKC B.2)
- 1.7 Review of performance in the light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken. (UKC B.6)
- 1.8 Extension of the Group's activities into new business or geographic areas.
- 1.9 Any decision to cease to operate all or any material part of the Group's business.

## **2. Structure and capital**

- 2.1 Material changes relating to the group's capital structure including reduction of capital, share issues (except under employee share plans in accordance with policies approved by the Board), share buy backs including the use of treasury shares.
- 2.2 Major changes to the Group's corporate structure.
- 2.3 Changes to the Group's management and control structure.
- 2.4 Any changes to the Company's listing or its status as a plc.

## **3. Financial reporting and controls**

- 3.1 Approval of the half yearly report, interim management statements and any preliminary announcements of interim and final results. (UKC C.1 Audit)
- 3.2 Approval of the annual report and accounts, including the corporate governance statement and remuneration report<sup>1</sup> (CA s414, s415 LR 9.8 UKC C1 Audit)

---

CA refers to the Companies Act 2006

UKC refers to the UK Corporate Governance Code

LR refers to the UKLA Listing Rules

References to Audit, Nomination or Remuneration refer to the Board committee which will consider the item and make recommendations to the board for its final decision.

- 3.3 Approval of the dividend policy.
- 3.4 Declaration of the interim dividend and recommendation of the final dividend (LR 9.7)
- 3.5 Approval of any significant changes in accounting policies or practices. (Audit)
- 3.6 Approval of bank facilities over £10 million and annually the treasury policy.

#### **4. Internal controls**

4.1 Ensuring maintenance of an effective system of internal control and risk management including:-

- 4.1.1 approving the Group's risk appetite statements;
- 4.1.2 on the advice of the Audit Committee, receiving reports on, and reviewing the effectiveness of, the group's risk and control processes to support its strategy and objectives;
- 4.1.3 on the advice of the Audit Committee, approving procedures for the detection of fraud and the prevention of bribery;
- 4.1.4 undertaking an annual assessment of these processes; and
- 4.1.5 approving an appropriate statement for inclusion in the annual report. (UKC C.2, C.2.1 Audit)

#### **5. Contracts**

- 5.1 Material capital projects with a value of over £20 million and acquisitions or disposals of shares, businesses or assets over £20 million.
- 5.2 Contracts which are material strategically or by reason of size, entered into by the Company or any subsidiary in the ordinary course of business, for example acquisitions or disposals of fixed assets above £20 million.
- 5.3 Material investments with a value of over £20 million.

#### **6. Communication**

- 6.1 Ensuring a satisfactory dialogue with shareholders based on a mutual understanding of objectives (UKC E.1).
- 6.2 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting. (LR 13)
- 6.3 Approval of all circulars and listing particulars other than routine documents such as periodic circulars which may be delegated to a committee. (LR 13)
- 6.4 Approval of press releases concerning matters decided by the Board or which may be price sensitive.

#### **7. Board membership and other appointments**

- 7.1 Changes to the structure, size and composition of the Board, following recommendations from the nomination committee. (UKC B.1 Nomination)
- 7.2 Appointments to the Board and Executive Committee, following recommendations by the nomination committee. (UKC B.2 Nomination)
- 7.3 Selection of the Chairman of the Board and the Chief Executive. (Nomination)
- 7.4 Appointment of the Senior Independent Director. (UKC A.4.1 Nomination)
- 7.5 Membership and Chairmanship of Board committees. (Nomination)
- 7.6 Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate. (Nomination)
- 7.7 Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the company, subject to the law and their service contract. (Nomination)
- 7.8 Appointment or removal of the company secretary. (CA s283, s286 UKC B.5.2)

7.9 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the audit committee. (CA s489 s510 UKC C.3.2 Audit)

## **8. Remuneration**

- 8.1 Determining the remuneration policy for the directors, company secretary and other senior executives. (UKC D.2 Remuneration)
- 8.2 Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate. (UKC D.2.3)
- 8.3 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval. (Remuneration)

## **9. Delegation of Authority**

- 9.1 The division of responsibilities between the chairman and the chief executive which should be clearly established, set out in writing and agreed by the Board. (UKC A.2.1)
- 9.2 Approval of terms of reference of Board committees. (CC A.4.1, B.2.1, C.3.1)
- 9.3 Receiving reports from Board committees on their activities.

## **10. Corporate governance matters**

- 10.1 Undertaking a formal and rigorous review of its own performance, that of its committees and individual directors. (UKC B.6)
- 10.2 Determining the independence of directors. (UKC B.1.1)
- 10.3 Considering the balance of interests between shareholders, employees, customers and the community.
- 10.4 Review of the group's overall corporate governance arrangements.
- 10.5 Receiving reports on the views of the company's shareholders. (UKC E.1.1)
- 10.6 Authorising conflicts of interest where permitted by the Company's articles of association. (CA 177)

## **11. Policies**

- 11.1 Approval of policies, including:-
  - 11.1.1 Code of Conduct;
  - 11.1.2 Share dealing code;
  - 11.1.3 Anti-Bribery and Corruption Policy;
  - 11.1.4 Whistleblowing Policy;
  - 11.1.5 Health and safety Policy;
  - 11.1.6 Environmental and Energy policy; and
  - 11.1.7 External Communications policy including procedures for the release of price sensitive information.

## **12. Other**

- 12.1 The making of political donations.
- 12.2 Approval of the appointment of the Group's principal professional advisers and review (at least annually).
- 12.3 Prosecution, defence or settlement of material litigation.
- 12.4 Approval and review (at least annually) of the overall levels of insurance for the group including Directors' & Officers' liability insurance (UKC A.1.3).
- 12.5 The introduction of or any major changes to the rules of the group's pension scheme.
- 12.6 This schedule of matters reserved for the Board decisions.

In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.