



## **LIST OF RESERVED MATTERS**

**(Approved by plc Board 26 February 2014)**

The following matters shall be reserved for consideration by the full Board:-

### **1. Management and Strategy**

- 1.1 Responsibility for the overall management of the Group.
- 1.2 Approval of the Group's long term objectives and commercial strategy.
- 1.3 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 1.4 Oversight of the Group's operations ensuring: competent and prudent management; sound planning; an adequate system of internal control; adequate accounting and other records; compliance with legal and regulatory obligations.
- 1.5 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.
- 1.6 Extension of the Group's business into major new business or geographic areas.
- 1.7 Any decision to cease to operate all or any material part of the Group's business.

### **2. Structural and Capital**

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

### **3. Financial Reporting and Control**

- 3.1 Approval of preliminary announcements of interim and final results.
- 3.2 Approval of the annual report and accounts, including the corporate governance statement and remuneration report.
- 3.3 Approval of the dividend policy.
- 3.4 Approval of the interim dividend and recommendation of the final dividend.
- 3.5 Approval of any significant changes in accounting policies or practices.
- 3.6 Approval of treasury policies (including foreign currency exposure).
- 3.7 Approval of credit limits for the placing of deposits with individual financial institutions, approval of the issue of loan stock or similar debt instruments by any member of the Group.
- 3.8 The giving of security over any material asset of any member of the Group, the entry into loan facilities, debt financing, sale and lease financing arrangements, subject to the level of delegated authority approval by the Board from time to time.
- 3.9 The approval of guarantees, indemnities or the giving of letters of comfort by any member of the Group with the amount of the underlying liability exceeding the lower of £15 million or 30% of Group Net Assets.**

### **4. Internal Controls**

- 4.1 Ensuring maintenance of a sound system of internal control and risk management, including: receiving reports on, and reviewing the effectiveness of, the Group's risk and

control processes to support its strategy and objectives; undertaking an annual assessment of these processes; approving an appropriate statement for inclusion in the annual report.

## 5. Contracts

- 5.1 Major capital projects.
- 5.2 Contracts which are material strategically or by reason of size, entered into by any member of the Group in the ordinary course of business, for example contracts for the acquisition or disposal of fixed assets **above £15 million**.
- 5.3 Contracts entered into by any member of the Group which are not in the ordinary course of business, for example foreign current transactions above £5 million; major acquisitions and disposals **above £5 million**.
- 5.4 The entry into finance and operating leases where the capital value of the assets concerned **exceeds £15 million**.
- 5.5 Acquisitions or disposals of interests in companies or businesses or material assets **above £5 million**, the formation or liquidation of any subsidiary (including any joint venture vehicle), subject to the levels of delegated authority approved by the Board from time to time.
- 5.6 The making of any takeover bid for another company governed by the City Code on Takeovers and Mergers.
- 5.7 Any approach by or on behalf of a party making, or with a view to making, a general offer for the Company's shares or any offer whereby a change in control of the Company may result.

## 6. Communication

- 6.1 Approval of resolutions and related documentation to be presented to shareholders at a general meeting.
- 6.2 Approval of any prospectuses or circulars to holders of the Company's securities.
- 6.3 Approval of press releases concerning matters decided by the Board.

## 7. Board Membership and other appointments

- 7.1 Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.
- 7.2 Ensuring adequate succession planning for the Board and senior management.
- 7.3 Appointments to the Board, following recommendations from the Nomination Committee.
- 7.4 Selection of the Chairman and the Chief Executive.
- 7.5 Appointment for the senior independent Director.
- 7.6 Membership and Chairmanship of all Board Committees.
- 7.7 Terms of reference of all Board Committees.
- 7.8 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 Annual General Meeting and otherwise as appropriate.
- 7.9 The division of responsibilities between the Chairman and the Chief Executive, which should be in writing.
- 7.10 Receiving reports from Board Committees on their activities.
- 7.11 Appointment or removal of the Company Secretary.
- 7.12 Appointment, re-appointment or removal of the external auditor, following recommendations from the Audit Committee.
- 7.13 Appointment to the Boards of Group companies.

## 8. Remuneration

Through the Remuneration Committee:-

- 8.1 Setting the remuneration policy for the Directors, Company Secretary and other senior executives as defined by the Remuneration Committee from time to time.
- 8.2 Determining the remuneration of the non-executive Directors, subject to the Company's Articles of Association.
- 8.3 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.

## 9. Corporate governance matters

- 9.1 Undertaking a formal and rigorous review annually of its own performance, that of Board Committees and individual Directors.
- 9.2 Determining the independence of Directors.
- 9.3 Review of the Group's overall corporate governance arrangements.
- 9.4 Receiving reports on the view of the Company's shareholders.

## 10. Policies

- 10.1 Approval of policies, including share dealing code; health and safety policy; environmental policy; communications policy (including procedures for the release of price sensitive information); corporate social responsibility policy; charitable donations policy.

## 11. General

- 11.1 The institution, defence or settlement of legal proceedings (or a similar process) by any member of the Group where the costs appear likely to **exceed £1 million** (with the exception of Professional Indemnity claims where the settlement limit applied shall be **£5 million**) or in relation to matters having a value or effect on any member of the Group **in excess of £5 million** or being otherwise material to the Group's interests.
- 11.2 Approval of the engagement of the Company's principal professional advisers.
- 11.3 Approval of the overall levels of insurance for the Group including directors' and officers' liability insurance.
- 11.4 Major changes in the rules of the Company's pension scheme, or change of trustees or (when this is subject to the approval of the Company) changes in the fund management arrangements.
- 11.5 This schedule of matters reserved for Board decisions and any other matters not within the approval terms of reference of any Committee of the Board.
- 11.6 The making of political donations.
- 11.7 Prosecution, defence or settlement of litigation.
- 11.8 Any other matters as determined from time to time by the Board.

The monetary limits specified in this list of reserved matters are subject to variation by the Board on a specific or general basis (as the case may be) from time to time.

Matters which the Board considers suitable for delegation are contained in the terms of reference of its Committees.

The Board will receive reports and recommendations from time to time on any matters which it considers significant to the Group.