



**Volution Group plc**

**(the “Company”)**

**SCHEDULE OF MATTERS RESERVED FOR THE BOARD**

Pursuant to article 91 of the Company’s articles of association (the “**Articles**”), the board of directors of the Company (the “**Board**”) have the general power to manage the Company’s business. This includes the power for the Board to delegate to committees (under article 104 of the Articles), to individual directors (under article 94 of the Articles) and to any manager or agent of the Company (under article 93 of the Articles).

Notwithstanding this extensive power of delegation, the Board recognises that, in accordance with principles of good governance, there are areas where it should have the sole and exclusive responsibility to take decisions. Accordingly, the matters set out in this schedule below are reserved exclusively for determination by the Board. The fact that a decision is reserved to the Board does not, and should not, prevent relevant committees of the Board, or individuals with relevant knowledge and expertise, from reporting their recommendations to the Board or contributing to the constructive dialogue of such matters. Matters which the Board considers suitable for delegation to its committees are contained in the terms of reference of such committees.

In particular, matters marked with an asterisk may be subject to recommendations from the audit, nomination or remuneration committees (as applicable). However, the final decision to be taken on such matters remains with the Board.

**1 PURPOSE, VALUES, CULTURE, STRATEGY AND MANAGEMENT**

- 1.1 Responsibility for the overall leadership and management of the Company and its subsidiaries (the “**Group**”), setting the Group’s purpose, values and standards and satisfying itself that these are aligned with its culture.
- 1.2 Approval of the Group’s long term objectives and strategy to ensure the Group generates or preserves value over the longer term (the business model) for shareholders and for contributing to wider society.
- 1.3 On-going assessment and monitoring of the Group’s culture, including ensuring that policies, practices and procedures are aligned with the Group’s purpose, values and strategy.
- 1.4 Ensuring that views of shareholders and other key stakeholders are considered when making decisions, in order to promote the long-term sustainable success of the Group and its contribution to wider society.
- 1.5 Approval of the annual operating and capital expenditure budgets, and any material changes to them.

- 1.6 Oversight of the Group's operations, ensuring:
  - (a) competent and prudent management;
  - (b) sound planning;
  - (c) adequate systems of risk management and internal controls;
  - (d) adequate accounting and other records; and
  - (e) compliance with statutory and regulatory obligations.
- 1.7 Review of performance in light of the Group's strategy, objectives, business plans and budgets, and ensuring that any necessary corrective action is taken.
- 1.8 Extension of the Group's activities into any material new business, market or geographic area.
- 1.9 Any decision to cease to operate all or any material part of the Group's business.

## **2. STRUCTURE AND CAPITAL**

- 2.1 Changes relating to the Group's capital structure, including a reduction of capital, share issues (except under previously approved employee share plans), share buy backs and the use of treasury shares.
- 2.2 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).
- 2.3 Changes to the Group's management and control structure.
- 2.4 Any changes to the Company's listing, the markets on which its securities are traded or its status as a public limited company.

## **3 FINANCIAL REPORTING AND CONTROLS**

- 3.1 \* Approval of the half-yearly report, preliminary announcement of final results and any trading updates.
- 3.2 \* Approval of the annual report and accounts, including the corporate governance statement and directors' remuneration report.
- 3.3 \* Approval of the dividend policy.
- 3.4 \* Declaration 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 material foreign currency exposure and the use of financial derivatives).
- 3.7 Approval of material unbudgeted capital or operating expenditures (outside pre-determined tolerances).

## **4 INTERNAL CONTROLS**

- 4.1 Ensuring maintenance of a sound system of internal controls and risk management, including:
- (a) approving the Company's and the Group's risk appetite statements;
  - (b) receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives;
  - (c) carrying out an assessment (at least annually) of the Group's emerging and principal risks and reporting to shareholders on such matters;
  - (d) approving procedures for the detection of fraud and the prevention of bribery;
  - (e) undertaking an annual assessment of these processes; and
  - (f) approving an appropriate statement for inclusion in the annual report.

## **5 CONTRACTS**

- 5.1 Approval of:
- (a) capital expenditure or projects with a value exceeding £250,000 to be undertaken by the Group, to the extent not approved in the annual budget;
  - (b) borrowings exceeding £1 million, or the voluntary prepayment of any term debt exceeding £1 million;
  - (c) contracts which are material, either strategically or by reason of their size;
  - (d) contracts which are not in the ordinary course of business, including any major acquisitions or disposals exceeding £2.5 million;
  - (e) major investments, including the acquisition or disposal of interests of more than 5 per cent of the voting shares of any company or the making of any takeover offer; and
  - (f) any significant transaction, reverse takeover or related party transaction (each as defined in the Listing Rules issued by the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000).

## **6 COMMUNICATION**

- 6.1 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.
- 6.2 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 6.3 \* Approval of all circulars, prospectuses and listing particulars, except for routine circulars approved according to a procedure specified by the Board in advance.
- 6.4 \* Approval of press releases concerning material matters decided by the Board.

## **7 BOARD MEMBERSHIPS AND OTHER APPOINTMENTS**

- 7.1 \* Changes to the structure, size and composition of the Board, following recommendations from the nomination committee.
- 7.2 \* Reviewing the talent pipeline in the Group and ensuring adequate succession planning for the Board and senior management, having also considered diversity, so as to maintain an appropriate balance of skills and experience within the Company and on the Board.
- 7.3 \* Appointments to the Board, following recommendations by the nomination committee.
- 7.4 \* Selection of the chairman of the Board and the chief executive officer.
- 7.5 \* Appointment of the senior independent non-executive director, following recommendations by the nomination committee.
- 7.6 \* Membership and chairmanship of board committees, following recommendations from the nomination committee.
- 7.7 \* Continuation in office of directors at the end of their term of office, when they are due to be re- elected by shareholders at an annual general meeting and otherwise as appropriate, following recommendations from the nomination committee.
- 7.8 \* 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, following recommendations from the nomination committee.
- 7.9 \* Appointment or removal of the company secretary.
- 7.10 \* Approval of the Audit Committee's recommendation for the tender of the external auditor position.
- 7.11 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval in a general meeting, following the recommendation of the audit committee.
- 7.12 Appointments to the boards of the Company's subsidiaries (delegated to the CEO).

## **8 REMUNERATION**

- 8.1 \* Determining the remuneration policy for the directors, company secretary and other senior executives, following the recommendation of the remuneration committee.
- 8.2 Determining the remuneration of the non-executive directors, subject to the Articles and shareholder approval as appropriate.
- 8.3 \* The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval, following the recommendation of the remuneration committee.

## **9 DELEGATION OF AUTHORITY**

- 9.1 \* The division of responsibilities between the chairman, the chief executive officer and other executive directors, which should be clearly established, set out in writing and agreed by the Board.

- 9.2 Written approval of the delegated level of the chief executive officer's and other senior managers' authorities (specifying the limits to such authorities).
- 9.3 \* Establishing board committees and approving their terms of reference (and material changes thereto).
- 9.4 Receiving reports from board committees on their respective activities.

## **10 CORPORATE GOVERNANCE MATTERS**

- 10.1 \* Undertaking a formal and rigorous annual review of the Board's own performance, that of its committees and individual directors, and of the division of responsibilities.
- 10.2 \* Determining the independence of non-executive directors according to, amongst other things, the factors set out in the UK Corporate Governance Code as published by the Financial Reporting Council.
- 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.
- 10.6 Authorising conflicts of interest where permitted by the Articles.

## **11 POLICIES**

- 11.1 Approval of policies, including the Group's:
- (a) code of conduct;
  - (b) share dealing code;
  - (c) bribery prevention policy;
  - (d) whistleblowing policy ;
  - (e) health and safety policy;
  - (f) environment and sustainability policy;
  - (g) human resources policy;
  - (h) equal opportunities policy;
  - (i) annual modern slavery statement;
  - (j) communications policy, including procedures for the release of insider information;
  - (k) investor relations policy;
  - (l) corporate social responsibility policy; and
  - (m) charitable donations policy.

## **12 OTHER**

- 12.1 Approval of any political donations.
- 12.2 Approval of the appointment of the Group's principal financial and professional advisers.
- 12.3 The commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism, involving a claim or potential claim exceeding £1 million or being otherwise material to the interests of the Group.
- 12.4 Approval of the overall levels and classes of insurance for the Group, including directors' & officers' liability insurance, and the indemnification of directors.

- 12.5 Major changes to the rules of the Group's pension scheme, or changes of trustees or, if subject to the approval of the Company, changes in the fund management arrangements.
- 12.6 Any decision likely to have a material impact on the Group from any perspective, including, but not limited to, financial, operational, strategic or reputational perspectives.
- 12.7 Changes to this schedule of matters reserved for board decisions.

**Approved by the Board on 26 July 2019**  
**Effective from 1 August 2019**