

## 1. Leadership, Culture and Strategy

- 1.1 Responsibility for the overall leadership of the Group and establishing the Group's purpose, values and standards.
- 1.2 Approval of the Morgan Code and monitoring the effectiveness of the programmes designed to ensure the Code's implementation. Assessment and monitoring of how the Group's culture aligns with its purpose and values, and assessment of any necessary corrective action.
- 1.3 Approval of the Group's strategic aims and objectives.
- 1.4 Determination of the nature and extent of the principal risks the Board is willing to take in achieving the Group's strategic objectives.
- 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:
  - competent and prudent management;
  - sound planning;
  - maintenance of sound management and internal control systems;
  - adequate accounting and other records; and
  - compliance with statutory and regulatory obligations.
- 1.7 Review of performance in the light of the Group's strategic aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 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.
- 1.10 Keep under review changes and events in the external market or environment which could impact delivery of the Group's strategic aims and objectives.

## 2. Structure and Capital

- 2.1 Changes relating to the Group's capital structure including reduction of capital, share issues (except under employee share plans), 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 results announcements, trading statements and any preliminary announcement of the final results.
- 3.2 Approval of the annual report and accounts, including the strategic report, the corporate governance statement and Directors' remuneration report
- 3.3 Ensure that a fair, balanced and understandable presentation of the Group's position and prospects is presented in annual, half-yearly and any other public reports.
- 3.4 Approval of the dividend policy.
- 3.5 Declaration of the interim dividend and recommendation of the final dividend.
- 3.6 Approval of any significant changes in accounting policies or practices.
- 3.7 Approval of treasury policies including foreign currency exposure and the use of financial derivatives.
- 3.8 Approval of tax policies and any related risk management strategy and framework.
- 3.9 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Audit Committee.

## 4. Risk Management and Internal controls

- 4.1 Assessment, at least annually, of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity.
- 4.2 Ensuring maintenance of a sound system of internal control and risk management including:
  - Receiving reports on, and reviewing, at least annually, the effectiveness of, the Group's risk management and internal control processes to support its strategy and objectives;
  - Undertaking an annual assessment of these processes; and
  - Approving an appropriate statement for inclusion in the annual report.

## **5. Approval of Contracts and Expenditure**

- 5.1 Approval of contracts and expenditure in accordance with the limits specified in the Limits of Authority schedule as updated from time to time including:
  - 5.1.1 Capital expenditure including the acquisition, disposal or leasing of real estate/property;
  - 5.1.2 Restructuring/reorganisation/expansion of any business including a new manufacturing facility;
  - 5.1.3 Treasury matters including bank or other borrowings, creating security over any asset, or making a loan other than within the Group;
  - 5.1.4 Acquisitions, disposals, joint ventures and new ventures;
  - 5.1.5 Acquiring, disposing or licensing any Intellectual Property; and
  - 5.1.6 Trading contracts.

## **6. Stakeholder engagement and communication**

- 6.1 Identifying the Group's key stakeholders.
- 6.2 Ensure effective engagement with and participation from shareholders and key stakeholders so that the Board has a clear understanding of their views.
- 6.3 Engagement with shareholders in relation to any resolution which was recommended by the Board but opposed by 20% or more of the votes cast and communication of the explanations.
- 6.4 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 6.5 Approval of all circulars, prospectuses and listing particulars.
- 6.6 Approval of information required to be published outside the annual report and accounts, including the Modern Slavery statement, tax strategy statement, gender pay gap reports and payment practices reports.

## **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 so as to maintain an appropriate balance of skills and experience within the Group 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 Director to provide a sounding board for the Chairman and to serve as intermediary for the other Directors when necessary.
- 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 the AGM and otherwise as appropriate.
- 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.
- 7.9 Appointment or removal of the Company Secretary.

## **8. Remuneration**

- 8.1 Determining the remuneration policy for the Directors, Company Secretary and certain other senior executives.
- 8.2 Determining the remuneration of the non-executive Directors, subject to the articles of association and shareholder approval as appropriate.
- 8.3 The introduction of new share incentive plans or major changes to existing plans, on recommendation of the Remuneration Committee, to be put to shareholders for approval.

#### **9. Delegation of Authority**

- 9.1 Approval of the division of responsibilities between the Chairman and the Chief Executive Officer which should be clearly established, set out in writing and agreed by the Board.
- 9.2 Approval of the appointment and allocation of responsibilities of the Senior Independent Director.
- 9.3 Approval of delegated levels of authority, including the Chief Executive Officer's authority limits as set out in the schedule established for this purpose and reviewed and updated from time to time.
- 9.4 Establishing Board Committees and approving their terms of reference, and approving material changes thereto.
- 9.5 Receiving reports from Board Committees on their activities.

#### **10. Corporate governance matters**

- 10.1 Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors, with an externally facilitated performance review every three years.
- 10.2 Determining the independence of non-executive Directors in light of their character, judgment and relationships.
- 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 to ensure that they are communicated to the Board as a whole.
- 10.6 Authorising conflicts of interest where permitted by the Company's articles of association.

#### **11. Other**

- 11.1 Approval of any political donations within the parameters set by the shareholders at the Company's annual general meeting.
- 11.2 Approval of the appointment of the Group's principal professional advisers.
- 11.3 Prosecution, defence or settlement of litigation, or an alternative dispute resolution mechanism involving above £1 million or being otherwise material to the interests of the group.
- 11.4 Approval of the overall levels of insurance for the group including Directors' & Officers' liability insurance and indemnification of Directors.
- 11.5 Major changes to the rules of the group's pension scheme(s), or changes of trustees or, when this is subject to the approval of the company, changes in the fund management arrangements.
- 11.6 This schedule of matters reserved for Board decision.

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

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

Approved by the Board: November 2020