Matters Reserved for the Board

1. Strategy and management

a. Responsibility for the overall management of the group.

b. Approval of the group's long-term objectives and commercial strategy

c. Approval of the annual operating and capital expenditure budgets and any material changes to them.

d. Oversight of the group's operations ensuring:

e. and prudent management

f. Sound planning

g. An adequate system of internal control

h. Adequate accounting and other records

i. Compliance with statutory and regulatory obligations.

j. 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.

k. Extension of the group's activities into new business or geographic areas.

l. Specific risk management policies including insurance, hedging, borrowing limits and corporate security.

m. Annual assessment of significant risks and effectiveness of internal controls.

n. Any decision to cease to operate all or any material part of the group's business.

o. Senior management responsibilities

p. Appointment or removal of Company Secretary

q. Appointment or removal of internal auditor

r. Remuneration, contracts, grants of options and incentive arrangements for senior management.

2. Structure and capital

s. 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.

t. Major changes to the group's corporate structure.

u. Changes to the group's management and control structure.

v. Any changes to the company's listing or its status as a plc.

3. Financial reporting and controls

a. Approval of the half-yearly report, interim management statements and any preliminary announcement of the final results.

b. Approval of the annual report and accounts, including the corporate governance statement and remuneration report.

c. Approval of the dividend policy

d. Declaration of the interim dividend and recommendation of the final dividend.

e. Approval of any significant changes in accounting policies or practices.

f. Approval of treasury policies

4. Internal controls

a. Ensuring maintenance of a sound system of internal control and risk management including:

i. receiving reports on, and reviewing the effectiveness of, the group's risk and control processes to support its strategy and objectives

ii. undertaking an annual assessment of these processes

iii. approving an appropriate statement for inclusion in the annual report. Treasury policies including foreign currency and interest rate exposure.

5. Contracts

a. 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 an increase in the lending facilities provided by the Company's lenders; acquisitions or disposals of fixed assets £100,000.

b. Contracts of the company or any subsidiary not in the ordinary course of business.

c. Major investments including the acquisition or disposal of interests in any company or the making of any takeover offer.

6. **Communication**

    a. Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.

    b. Approval of all circulars, prospectuses and listing particulars, approval of routine documents such as periodic circulars about scrip dividend procedures or exercise of conversion rights could be delegated to a committee.

    c. Approval of press releases concerning matters decided by the board.

7. **Board membership and other appointments**

    a. Changes to the structure, size and composition of the board, following recommendations from the Board.

    b. Ensuring adequate succession planning for the board and senior management.

    c. Appointments to the board, following recommendations by the Board.

    d. Selection of the chairman of the board and the chief executive.

    e. Appointment of the senior independent director.

    f. Membership and chairmanship of board committees.

    g. 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.

    h. 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. Appointment or removal of the company secretary.

    i. Appointment or removal of the company secretary.

    j. Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the audit committee.

    k. Appointments to boards of subsidiaries.

8. **Remuneration**

    a. Determining the remuneration policy for the directors, company secretary and other senior executives.

b. Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.

c. The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.

9. Delegation of authority

a. The division of responsibilities between the chairman, the chief executive which should be in writing.

b. Approval of terms of reference of board committees.

c. Receiving reports from board committees on their activities.

10. Corporate governance matters

a. Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors.

b. Determining the independence of directors.

c. Considering the balance of interests between shareholders, employees, customers and the community.

d. Review of the group's overall corporate governance arrangements.

e. Receiving reports on the views of the company's shareholders.

11. Policies

a. Approval of policies, including:

i. Code of Conduct

ii. Bribery Policy

iii. Share dealing code

iv. Health and safety policy

v. Environmental policy

vi. Communications policy including procedures for the release of price sensitive information

vii. Corporate social responsibility policy

viii. Charitable donations policy

12. Transactions

a. Acquisitions and disposals of subsidiaries or other assets over 5% of net assets/profits

b. Investment and other capital projects over a similar level

c. Substantial commitments including;

   i. Pension funding

   ii. Contracts in excess of one year's duration

   iii. Giving securities over significant group assets (including mortgages and charges over the group's property).

d. Contracts not in the ordinary course of business

e. Actions or transactions where there may be doubt over property

f. Approval of certain announcements, prospectuses, circulars and similar documents

g. Disclosure of directors' interests

h. Transactions with directors or other related parties

13. Finance

a. Raising new capital and confirmation of major financing facilities

b. Treasury policies including foreign currency and interest rate exposure

c. Discussion of any proposed qualification to the accounts

d. Final approval of annual and interim reports and accounts and accounting policies

e. Appointment/proposal of auditors

f. Charitable and political donations

g. Approval and recommendation of dividends

h. Approval before each year starts of operating budgets for the year and periodic review during the year

14. Other

a. The making of political donations.

b. Approval of the appointment of the group's principal professional advisers.

c. Prosecution, defence or settlement of litigation involving above £100,000 or being otherwise material to the interests of the group.

d. Approval of the overall levels of insurance for the group including directors' & officers' liability insurance and indemnification of directors.

e. Major changes to the rules of the group's pension scheme, or changes of trustees or when this is subject to the approval of the company changes in the fund management arrangements.

f. This schedule of matters reserved for board decisions.