

Matters reserved for the Board

Leadership and Purpose

1. Responsibility for the overall leadership of the Company and establishing its purpose, values and strategy.
2. Ensuring the culture within the Company is aligned with its purpose, values and strategy.
3. Assessing the basis on which the Company generates and preserves value over the long term.
4. Identifying and managing conflicts of interest, including those resulting from significant shareholdings.

Financial Matters

5. Ensuring that the Company and all other members of the Group maintain accounting records sufficient to show and explain their transactions.
6. Approval of full year (preliminary) and half year results announcements.
7. Approval of dividend policy, determination and declaration of the interim dividend and recommendation of the final dividend.
8. Adoption of significant changes in accounting policies or practices.
9. Approval of all circulars and prospectuses to shareholders.
10. Changes relating to the capital structure.
11. Approval of increases in share capital of any Group Company, or equivalent financing arrangement.
12. Approval of all guarantees given by the Company.
13. Approval of the maximum total value of the Group's borrowing facilities.
14. Approval of any new or increase in borrowing facilities exceeding £1,000,000. The cancellation of such facilities can be approved by any two Directors.
15. Approval of material unbudgeted capital or operating expenditure, being capital expenditure exceeding £100,000 or operating expenditure exceeding £50,000.

Corporate matters

16. Convening general meetings and approving the resolutions to be put to shareholders.
17. Change in the Company's listing or status (PLC | Limited).
18. Recommending to shareholders the approval of alterations to the Memorandum and Articles of Association.
19. Making any take-over offer for another company or other companies within the City Code on Takeovers and Mergers and considering a response to any such approaches to the Company.
20. Consideration of stakeholders' interests under section 172 of the Companies Act 2006, including employee consultation, and reporting thereon.

Annual report and accounts

21. To issue the Annual Report and Accounts having approved the following:
 - a. Strategic Report;
 - b. Directors' Report;
 - c. Remuneration, Audit and Nomination Committee Reports;
 - d. Accounts and Notes to the accounts.

Appointments and structure

22. Appointment and removal of Directors (Nomination Committee).
23. Selection of the Chairman of the Board and the Chief Executive.
24. Determining the independence of Non-executive Directors in light of their character, judgment and relationships.
25. Appointment of the Senior Independent Director.

26. Appointment and removal of the Secretary.
27. Ensuring adequate succession planning for the Board and senior management.
28. Determining executive remuneration (Remuneration Committee).
29. Carrying out a formal and rigorous review of its own performance and that of its committees and individual directors and the division of responsibilities on an annual basis.

Budgets, contracts and business development

30. Approval of strategic plans of the Group.
31. Approval of the annual budget (including operating and capital items) of the Group and subsequent revision(s) requested by the Board.
32. Approval of significant changes in treasury and foreign currency policy of the Group.
33. Approval of investment proposals where the one off cost exceeds £1,000,000.
34. Significant changes to the Group's activities, to include acquisitions or divestments or entry into a new foreign jurisdiction, or exit from an existing one.

Litigation

35. The Board must be advised of all material litigation either proposed by or commenced against the Group, including recommendations for settlement. For this purpose, material litigation is any litigation where the outcome may give rise to a receipt or payment greater than £100,000.

Internal controls

36. Approving the Company's/Group's risk appetite statements.
37. To receive reports directly from the Chief Executive Officer / Group Finance Director on the Group's internal control systems and to consider amongst others:
 - a. Changes in the nature and extent of significant risks to the business;
 - b. The key risks and how these are evaluated and managed.
38. To review annually the effectiveness of the Group's internal control systems and consider:
 - a. For identified weaknesses, the actions being taken and the timeliness of rectification;
 - b. The effectiveness and output of the management's review process;
 - c. Incidence of major control weaknesses, their cause and potential impact on the business.
39. Approval of the ICAAP document.

Board committees

40. Approving the membership and chairmanship of Board Committees.
41. Approving terms of reference for Board Committees.

Policies

42. Approval of Group policies, including:
 - a. Code of conduct;
 - b. Share dealing code;
 - c. Bribery prevention policy;
 - d. Whistleblowing policy;
 - e. Health and safety policy;
 - f. Environmental policy;
 - g. Human resources policy;
 - h. Communications policy (including procedures for the release of price-sensitive information);
 - i. Corporate social responsibility policy;
 - j. Charitable and political donations policy.

Others Matters

43. Recommendation to shareholders to appoint or remove the Company's auditors including approval of their fees.
44. Appointment or removal of the Company's principal advisors.
45. Approval of major changes in employee share and incentive schemes.
46. Major changes in the applications of Group Pension Schemes.
47. Monitoring of the Directors and Officers Liability Insurance.
48. Agreeing fee levels for Non-Executive Directors.

Approved by the Board of Directors of Walker Crips Group plc on 21 March 2019