

FRP ADVISORY GROUP PLC

MATTERS SPECIFICALLY RESERVED FOR DECISION BY THE FULL BOARD

1 STRATEGY AND MANAGEMENT

- 1.1 Responsibility for the overall leadership of the group, setting the group's purpose, values and strategy and satisfying itself that these are aligned with its culture.
- 1.2 Approval of the group's long-term objectives and strategy and any material changes to them.
- 1.3 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.
- 1.4 Approvals of the annual budget and allocation of capital within the group.
- 1.5 Ensuring that workforce policies and practices are consistent with the group's values and supports the long-term sustainable success of the group.
- 1.6 Oversight of the group's operations ensuring competent and prudent management, sound planning, an adequate system of internal control, 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 Approval of individual partner hires, promotions and retirements.

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) and share buy backs and offering or granting options or rights to subscribe for shares, or any form of security convertible into 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 in question (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 or its status as a plc.
- 2.5 Alteration of the Company's articles of association
- 2.6 Change to the Company's:

- (a) accounting reference date;
- (b) registered name; or
- (c) business name.

3 FINANCIAL REPORTING AND CONTROLS

- 3.1 Approval of the half-yearly report and any preliminary announcement of the final results.
- 3.2 Approval of the annual report and accounts having received recommendations from the Audit and Risk Committee.
- 3.3 Approval of the dividend policy.
- 3.4 Declaration of dividends or payments to shareholders.
- 3.5 Approval of any significant changes in accounting policies or practices having received recommendations from the Audit and Risk Committee.
- 3.6 Approval of treasury policies.
- 3.7 Approval of all financial instruments including swaps.
- 3.8 Raising new capital and confirmation of major financing facilities.
- 3.9 The granting of security over any material group asset.

4 INTERNAL CONTROLS

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

- (a) a robust assessment of the Company's emerging and principal risks;
- (b) reviewing the effectiveness of the group's risk management and internal control processes to support its strategy and objectives;
- (c) approving procedures for the detection of fraud and the prevention of bribery;
- (d) undertaking an annual assessment of these processes through the Audit and Risk Committee; and
- (e) approving an appropriate statement for inclusion in the annual report.

5 CONTRACTS

- 5.1 Approval of major capital projects and oversight over execution and delivery.
- 5.2 Contracts which are material strategically or by reason of size, entered into by the Company or, in the case of a subsidiary, recommendations for approval in the ordinary course of business, for example bank borrowings and acquisitions or disposals of fixed assets (including intangible assets such as intellectual property).

5.3 Contracts of the Company or any subsidiary, including any transactions with directors or other related parties, which are not in the ordinary course of business.

5.4 Material investments including the acquisition or disposal of interests of more than 3% in the voting shares of any Company or the making of any takeover offer.

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 and prospectuses.

6.4 Approval of regulatory announcements 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 effective succession planning for the Board and senior management so as to maintain an appropriate balance of skills, experience and knowledge within the Company and on the Board.

7.3 Appointments to the Board, following recommendations by the Nomination Committee.

7.4 Selection of the chair of the Board and the chief executive.

7.5 Appointment of the senior independent director to provide a sounding Board for the chair and to serve as intermediary for the other directors and shareholders.

7.6 Membership and chairship of Board committees.

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 Company's annual general meeting 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.

7.10 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval in general meeting, following the recommendation of the Audit and Risk Committee.

7.11 Appointments to Boards of subsidiaries.

8 **REMUNERATION**

8.1 Determining the remuneration policy for staff with the designation of "partner" (who will typically be members of FRP Advisory Services LLP) and setting

remuneration for the chair, executive directors and senior management, taking into account workforce remuneration (save to the extent that the relevant executive director is also a partner, in which case such decisions shall be a matter for the Remuneration Committee).

8.2 Determining the remuneration of the non-executive directors, subject to the 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.

8.4 Agreeing any variation to the policy of the Group in relation to the factors to be considered in determining the allocation of the sum reserved for additional partner annual profit shares.

9 **DELEGATION OF AUTHORITY**

9.1 The division of responsibilities between the chair and the chief executive should be clearly established, set out in writing, agreed by the Board and made publicly available.

9.2 Approval of the delegated levels of authority, including the Chief Executive's authority limits (which must be in writing).

9.3 Establishing Board committees and approving their terms of reference, and approving material changes thereto.

9.4 Receiving reports from Board committees on their activities.

10 **CORPORATE GOVERNANCE MATTERS**

10.1 Undertaking a formal and rigorous annual evaluation of its own performance, that of its committees, the chair and individual directors, and the division of responsibilities.

10.2 Determining the independence of non-executive directors.

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 **POLICIES**

Approval of group policies, as appropriate.

12 **OTHER**

12.1 The making of political donations.

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

- 12.3 Prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism being material to the interests of the group.
- 12.4 Material changes to the rules of the group's pension scheme, or changes of trustees or changes in the fund management arrangements.
- 12.5 Any decision likely to have a material impact on the Company or group from any perspective, including, but not limited to, financial, operational, strategic or reputational.
- 12.6 Approval of the overall levels on insurance for the group including Director's and Officer's liability insurance and indemnification of directors.
- 12.7 This schedule of matters reserved for Board decisions.

