

CARCLO PLC
(the Company)

SCHEDULE OF MATTERS RESERVED FOR THE BOARD

1 Strategy and management

- 1.1 Responsibility for the overall leadership of the Company and setting the Company's values and standards.
- 1.2 Approval of the Group's long-term objectives and commercial strategy.
- 1.3 Approvals of the annual operating and capital expenditure budgets and any material changes to them.
- 1.4 Oversight of the Group's operations ensuring:
 - a. competent and prudent management;
 - b. sound planning;
 - c. an adequate system of internal control;
 - d. adequate accounting and other records; and
 - e. compliance with statutory and regulatory obligations.
- 1.5 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.
- 1.6 Extension of the Group's activities into new business or geographic areas.
- 1.7 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 reduction of capital, share issues (except under employee share plans), share buy backs, including the issue 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 report, any trading statements and any preliminary announcement of the final results, announcements concerning the release of inside information, and any other Stock Exchange announcements of particular significance to Shareholders.
- 3.2 Approval of the annual report and accounts, including the Strategic Report, 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 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 control and risk management including:
 - a. Approving the Company/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. Approving procedures for the detection of fraud and the prevention of bribery;
 - d. Undertaking an annual assessment of these processes; and
 - e. Approving an appropriate statement for inclusion in the annual report.

5 Contracts

- 5.1 Approval of major capital projects (including all budgeted capital expenditure projects of £500k and above and any unbudgeted capital expenditure projects of £100k and above).
- 5.2 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 new bank facilities and leases with a total commitment above £300k).
- 5.3 Contracts of the Company or any subsidiary not in the ordinary course of business including any acquisition or disposals, above £100k.
- 5.4 Any contract (of whatever value) that potentially has onerous conditions such as uncapped liabilities, off market payment terms or a high degree of technical risk.
- 5.5 Major 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, prospectuses and listing particulars.
- 6.4 Approval of press releases 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 adequate succession planning for the Board and senior management 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 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 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.
- 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 Committee.

8 Remuneration

- 8.1 Determining the remuneration policy for the Directors, Company Secretary and 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, to be put to Shareholders for approval.

9 Delegation of authority

- 9.1 Determining the responsibilities of the Chair, Chief Executive, Senior Independent Director, Committee Chairs and other Executive Directors.
- 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 review of its own performance, that of its Committees and individual Directors.
- 10.2 Determining the independence of Non-Executive Directors.
- 10.3 Considering the balance of interests between Shareholders, employees, customers, suppliers, the environment, principal bank, pension scheme trustees 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 Considering, and where appropriate authorising Directors' conflicts of interest where permitted by the Company's Articles of Association, and as disclosed pursuant to the Companies Act 2006.

11 Policies

- 11.1 Approval of policies – including:
 - a. Board diversity policy;
 - b. Code of conduct;
 - c. Share dealing code;
 - d. Share dealing policy and procedures;
 - e. Inside information policy and procedures;
 - f. Anti-bribery and corruption policy;
 - g. Gifts and hospitality policy;
 - h. Whistleblowing policy;
 - i. Health and safety policy statement;
 - j. Environmental policy statement;
 - k. Communications policy, including procedures for the release of price-sensitive information;
 - l. Corporate responsibility policy;
 - m. Ethics policy; and
 - n. Charitable donations policy.

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 involving above £100k or being otherwise material to the interests of the Group.
- 12.4 Approval of the overall levels of insurance for the Group including directors' & officers' liability insurance and indemnification of directors.
- 12.5 Major changes to the rules of the Group's pension scheme, or changes of trustees (when this is subject to the approval of the Company), or changes in the fund management arrangements.
- 12.6 Any other matters of strategic or reputational importance likely to have a significant impact on Carclo plc or the Group.
- 12.7 This Schedule of Matters Reserved for Board decisions.

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 on 28 November 2022

Version control

Version	Date Approved	Approved By	Description
1	13 November 2019	Board	Annual Review
2	23 November 2020	Board	Annual Review
3	16 November 2021	Board	Annual Review
4	28 November 2022	Board	Annual Review