

LORDS GROUP TRADING PLC

MATTERS SPECIFICALLY RESERVED FOR DECISION BY THE BOARD OF DIRECTORS

The following matters are reserved to the Board of the Company. The Board may delegate certain matters on an ongoing or project basis to Board committees. Where matters are typically delegated to a standing committee, these are asterisked.

1 STRATEGY AND MANAGEMENT

- 1.1 Responsibility for the overall leadership of the group, setting or amending the group's purpose, values, business model 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 and impacts on shareholders and other key stakeholders are considered when making significant decisions.
- 1.4 Approval of the annual operating budget and allocation of capital within the group, and any material changes to it.
- 1.5 Oversight of the approach taken to workforce policies and practices with a view to ensuring they are consistent with the group's purpose, culture and strategy.
- 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 determining any necessary corrective action in the event of material divergence.
- 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 Determining the group's environmental, social and governance policies and strategy.

2 STRUCTURE AND CAPITAL

- 2.1 Changes relating to the Company's capital structure including reductions of capital, share issues (except under established employee share plans), share buybacks 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.
- 2.3 Changes to the group's management and control structure.
- 2.4 Any changes to the Company's status as a public limited company and its admission to AIM.
- 2.5 Recommending changes to the Company's articles of association to shareholders.
- 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 interim and final results and any trading statements.
- 3.2 Approval of the annual report and accounts having received recommendations from the Audit & Risk Committee as well as approval of the remuneration report, director's report, strategic report and corporate governance statement.
- 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 & Risk Committee.
- 3.6 Receive and review reports of the Audit & Risk Committee.
- 3.7 Approval of any audit tender policy and policy on non-audit services.
- 3.8 Approval of all financial instruments including swaps.
- 3.9 Raising new capital.
- 3.10 Entering into material new financing facilities including (without limitation) new bank facility agreements, borrowings, bonds, public funding grants and loans and any material amendments thereto or breaches thereof.
- 3.11 The granting of security over any material group asset.
- 3.12 Approval of any increase of more than 3% in the approved overall annual capex budget.
- 3.13 Approval of any changes to an approved budgeted capital project where the unbudgeted additional cost involved is over £100,000 of the budgeted cost.
- 3.14 Approval of any individual unbudgeted capex project with a projected spend over £100,000.
- 3.15 Approval of any significant changes in accounting policies or practices.

4 **RISK MANAGEMENT & INTERNAL CONTROLS**

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

- (a) a robust assessment of the Company's emerging and principal risks, including climate change risk to the extent relevant to the business;
- (b) reviewing the effectiveness of the group's risk management, assurance activities and internal control processes;
- (c) approving procedures for the detection of fraud and the prevention of bribery and annual review of the same;
- (d) undertaking an annual assessment of these processes through the Audit & 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 of execution and delivery of the same.
- 5.2 Approval of 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 (or material amendments thereto).
- 5.3 Approval of 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 (or material amendments thereto).
- 5.4 Approval of any takeover offer.
- 5.5 Material investments including the acquisition or disposal of interests in the voting shares in another company outside of the group.
- 5.6 Leases pursuant to which the aggregate projected value of the lease commitment is over £1m.
- 5.7 Provision of credit to any customer exceeding £250,000.
- 5.8 Disposals of fixed assets (singly or as a collection) with a carrying value or resale price of more than £500,000.
- 5.9 Approval of the acquisition or disposal of any corporate entity, save to the extent set out in the Delegation of Authority Policy and Matrix as approved by the Board.
- 5.10 Approval of the acquisition or disposal of any material asset or business.
- 5.11 Any contractual arrangement with any director of the Company or other related party.
- 5.12 Any other long-term arrangement, commitment or potential obligation that could bind the Company for more than three years and/or create a liability or source of revenue systemically greater than 5% of corporate profits.
- 5.13 Approval of the provision of guarantees by (i) the Company or (ii) by any group company whereby that company assumes any liability in respect of a company which is not a group company or a liability in respect of an individual.
- 5.14 Approval of the provision of indemnities not in the ordinary course of business by (i) the Company or (ii) by any group company whereby that company assumes any liability in respect of a company which is not a group company or a liability in respect of an individual.

5.15 Recruitment outside of budget for core, central function or management roles with a base salary greater than £70,000.

5.16 Such other contracts as shall be reserved for Board approval pursuant to the Company's Financial Authority Matrix (as approved by the Board) from time to time.

6 **COMMUNICATION**

6.1 Ensuring a satisfactory dialogue with key stakeholders based on the mutual understanding of the Company's purpose, culture and strategic objectives.

6.2 Determining the key stakeholders of the business and ensuring there are appropriate mechanisms in place to ensure the Board is informed of the views of those stakeholders, to ensure that they are communicated to the Board as a whole and taken into account in decision-making.

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

6.4 Approval of all circulars and prospectuses.

6.5 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 (including periodic refreshing of the Board).***

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, and ensuring appropriate consideration is given to diversity (in a broad sense) in that process.

7.3 Appointments to the Board.***

7.4 Selection of the chair of the Board, the chief executive officer, the chief financial officer and the chief operating officer.***

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

7.6 Membership and chairmanship 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.*

7.11 Appointments to Boards of subsidiaries.

8 REMUNERATION

- 8.1 Determining the remuneration parameters and policy for the Directors including salary, bonus, standard benefits, long term incentives and expected percentage pay as a proportion of increase in shareholder value.**
- 8.2 Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.**
- 8.3 Overseeing the overall remuneration policy and budget in relation to senior executives who are not Directors, being those who report directly to the CEO and such other senior executives as the Board may determine from time to time.
- 8.4 The introduction of new share incentive plans or significant changes to existing plans.**
- 8.5 Decisions regarding putting remuneration-related matters to shareholders for approval.**
- 8.6 Approving the performance criteria applicable to LTIPs and other share option schemes for the top executive team.**
- 8.7 Approving employment contracts with a notice period of more than 6 months in duration.

9 DELEGATION OF AUTHORITY

- 9.1 The division of responsibilities between the chair and the chief executive which 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 annual evaluation of the Board's performance, that of its committees, the chair and individual directors, and the division of responsibilities and determining the form of that process. Determining when and how to supplement this review with external independent third-party support.
- 10.2 Review and determine the independence of individual directors, taking into account relevant factors.
- 10.3 Identifying and determining how to address any skills gaps on the Board.
- 10.4 Determining the independence of non-executive directors.
- 10.5 Considering the balance of interests between shareholders, employees, customers, the community and other relevant stakeholders.
- 10.6 Review of the group's overall corporate governance arrangements.
- 10.7 Oversight of the group's approach towards relevant environmental and social issues, and in particular matters which may affect the Company's ability to deliver shareholder value.

10.8 Receiving reports on the views of the Company's shareholders to ensure that they are communicated to the Board as a whole.

10.9 Authorising conflicts of interest where permitted by the Company's articles of association.

11 **POLICIES**

11.1 Agreeing the process and authority levels for approval of material group policies, as set out in the Company's Corporate Governance Statement available on the website.

In this context, material shall mean policies required to manage key risks to the business and such other policies as shall legally require approval by the Board.

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 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.

12.5 Approval of the overall levels of insurance for the group including Director's and Officer's liability insurance and indemnification of directors.

12.6 Authorisation of signatories on the Company's bank mandate.

12.7 This schedule of matters is reserved for Board decisions.

Last reviewed by the Board on 23 January 2025.

Notes:

* typically delegated to or based on the recommendation of the Audit & Risk Committee as set out in that Committee's Terms of Reference.

** typically delegated to or based on the recommendation of the Remuneration Committee as set out in that Committee's Terms of Reference.

*** typically delegated to or based on the recommendation of the Nomination Committee as set out in that Committee's Terms of Reference.