

LORDS GROUP TRADING PLC**MATTERS SPECIFICALLY RESERVED FOR DECISION BY THE BOARD OF DIRECTORS****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 Approval of the annual operating budget and allocation of capital within the group, and any material changes to it.
- 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 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 reduction of capital, share issues (except under employee share plans where they have been approved in principle by the Board), share buy backs, 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 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 interim and final results and any trading statements.
- 3.2 Approval of the annual report and accounts having received recommendations from the Audit 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 Committee.
- 3.6 Receive and review reports of the Audit Committee.
- 3.7 Approval of all financial instruments including swaps.
- 3.8 Raising new capital.
- 3.9 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.
- 3.10 The granting of security over any material group asset.
- 3.11 Approval of any increase of more than 3% in the approved overall annual capex budget.
- 3.12 Approval of any changes to an approved budgeted capital project where the unbudgeted additional cost involved is over £100,000 of the budgeted cost.
- 3.13 Approval of any individual unbudgeted capex project with a projected spend over £100,000.
- 3.14 Approval of any significant changes in accounting policies or practices.

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) receiving reports on, and reviewing the effectiveness of the group's risk management and internal control processes that 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 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.
- 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 Leases pursuant to which the aggregate projected value of the lease commitment is over £1m.
- 5.5 Provision of credit to any customer exceeding £250,000.
- 5.6 Disposals of fixed assets (singly or as a collection) with a carrying value or resale price of more than £500,000.
- 5.7 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.
- 5.8 The acquisition or disposal of any corporate entity.
- 5.9 The acquisition or disposal of any material asset or business.
- 5.10 Any contractual arrangement with any director of the Company or other related party.
- 5.11 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.
- 5.12 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.
- 5.13 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.
- 5.14 Recruitment outside of budget for core, central function or management roles with a base salary greater than £70,000.
- 5.15 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 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.
- 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.
- 7.4 Selection of the chair of the Board and the chief executive officer.
- 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 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, following the recommendation of the Audit Committee.
- 7.11 Appointments to boards of subsidiaries.

8 **REMUNERATION**

- 8.1 Determining the remuneration policy for the Directors including salary, bonus, standard benefits long term incentives and expected percentage pay as a proportion of increase in shareholder value, in conjunction with the Remuneration Committee.
- 8.2 Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate, in conjunction with the Remuneration Committee.
- 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 major changes to existing plans, including those to be put to shareholders for approval, and approving the performance criteria applicable to LTIPs and other share option schemes for the top executive team, in conjunction with the Remuneration Committee.
- 8.5 Approving employment contracts with a notice period of more than 6 months in duration.
- 8.6 Receive and review reports of the Remuneration Committee.

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 annual evaluation of the Board's 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, the community and other relevant stakeholders.
- 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**

- 11.1 Approval of and amendments to material group policies, as appropriate, but including:
 - (a) Anti-bribery Policy;
 - (b) Whistleblowing Policy;
 - (c) Delegated Authority Policy;
 - (d) Data Protection and Data Security Policies;
 - (e) Disaster Recovery Policy;
 - (f) Health & Safety Policy;
 - (g) Anti-Slavery and Human Trafficking Policy;
 - (h) Charitable Donations Policy.

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 on insurance for the group including Director's and Officer's liability insurance and indemnification of directors.

12.6 This schedule of matters reserved for Board decisions.

Adopted by the Board on 14 July 2021