

STELRAD GROUP PLC

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SCHEDULE OF MATTERS RESERVED FOR THE  
BOARD

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## **STELRAD GROUP PLC (the "Company")**

### **SCHEDULE OF MATTERS RESERVED FOR THE BOARD**

These are the matters reserved for the board of directors of the Company (the "**Board**") for its collective decision:

#### **1. STRATEGIC ISSUES**

- 1.1 Responsibility for the overall leadership of the Company and setting the Company's values and standards.
- 1.2 Approving annually a strategic plan and objectives for the following year for the Company and any subsidiary undertaking of the Company (each, a "**Group Company**" and together, the "**Group**").
- 1.3 Determining what financial and human resources are required in order for the Company to meet its objectives.
- 1.4 Approving any decision to cease to operate all or any material part of the Group's business or entering into new business or geographic areas.
- 1.5 Approving the annual operating and capital expenditure budgets in accordance with limits and any material changes to them.
- 1.6 Reviewing the performance of the Group in light of the Group's strategy, objectives, business plans and budget, ensuring that any necessary corrective action is taken and reviewing the Group's operations to ensure:
  - 1.6.1 competent and prudent management;
  - 1.6.2 sound planning;
  - 1.6.3 maintenance of sound management and internal control systems;
  - 1.6.4 adequate accounting and other records; and
  - 1.6.5 compliance with statutory and regulatory obligations.

#### **2. STRUCTURE AND CAPITAL**

- 2.1 Approving or recommending (as the case may be) any changes relating to the Group's capital structure including reduction of capital, share issues (except under employee share schemes), issuance of equity linked instruments, share buy backs including the use of treasury shares.
- 2.2 Approving any changes to the Company's listing or its status as a plc.
- 2.3 Approving any changes to the Group's corporate (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)), management or control structures.

- 2.4 Recommending any alteration of the articles of association, registered office, and/or name of the Company (as the case may be).

### **3. FINANCIAL REPORTING & CONTROLS**

- 3.1 With recommendation from the relevant Committees, approving the Company's annual accounts and reports, including the strategic report, the directors' report, the corporate governance statement, the Remuneration, Audit and Risk and Nomination committee reports and the half-yearly and interim financial statements and any preliminary announcement of the final results.
- 3.2 Approving the annual Group budget and any material changes to it and the capital expenditure, estimates and forecasts, including profit, dividend or other forecasts made public.
- 3.3 Approving material unbudgeted capital or operating expenditures (outside pre-determined tolerances).
- 3.4 Approving the Group's risk management and treasury policies including foreign currency exposure and the use of financial derivatives.
- 3.5 Approving the dividend policy and fixing the amount of a dividend to be recommended to shareholders, and declaring and making arrangements for the payment of interim dividends.
- 3.6 Approving any significant changes in the accounting policies and practices.
- 3.7 Following recommendation from the Remuneration Committee, reporting each year to shareholders on the Company's policy on remuneration, the information required by the UK Listing Rules and the Remuneration section to the UK Corporate Governance Code.

### **4. AGREEMENTS**

- 4.1 Approving major capital projects, investments or contracts in excess of the amount delegated to the Chief Executive and having oversight over their execution and delivery.
- 4.2 Approving lending or borrowing by the Company made outside of the treasury policy of the Company.

### **5. COMMUNICATIONS WITH SHAREHOLDERS**

- 5.1 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.
- 5.2 Authorising the convening of and approving the notice of, and any ancillary documents relating to, any general meeting of the Company.

5.3 Approving the issue of all circulars, prospectuses and listing particulars to shareholders of the Company.

5.4 Approving press releases concerning matters decided by the Board.

## 6. **BOARD APPOINTMENTS AND REMUNERATION**

6.1 Approving changes to the structure, size and composition of the Board following recommendations from the Nomination Committee.

6.2 Appointments to the Board, including the chair and the senior independent director, and selection of the Chief Executive Officer and the Chief Financial Officer, following recommendations by the Nomination Committee.

6.3 Ensuring there is 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.

6.4 Approving the appointment or removal of the company secretary.

6.5 Unless the articles of association provide otherwise, determining the remuneration of the non-executive directors (including members of the Remuneration Committee), within the limits set in the articles. Where permitted by the articles, the Board may delegate this responsibility to a sub-committee.

## 7. **RISK ASSESSMENT AND INTERNAL CONTROLS**

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

7.1.1 approving the Group Company's risk appetite statements;

7.1.2 receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives; and

7.1.3 approving procedures for the detection of fraud and the prevention of bribery.

7.2 Carrying out a robust assessment of the emerging and principal risks facing the Group and reporting on such assessment in the Company's annual report, including how such risks are being managed or mitigated. Drawing on this assessment, including a statement in the annual report that:

7.2.1 the Board has assessed the prospects of the Company, over what period it has done so and why it considers that period to be appropriate; and

7.2.2 the directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

7.3 Monitoring the Group's risk management and internal control systems and reviewing, at least once a year, the effectiveness of such systems and reporting on that review in

the Company's annual report. The monitoring and review should cover all controls, including financial, operational and compliance controls and risk management.

7.4 Considering and reporting on whether it is appropriate to adopt the going concern basis of accounting in preparing the annual and half-yearly financial statements and identifying any material uncertainties to the Company's ability to do so over a period of at least 12 months from the date of approval of the financial statements.

7.5 Recommending to shareholders the appointment, reappointment or removal of the external auditor, following the recommendations of the Audit and Risk Committee.

## 8. **CORPORATE GOVERNANCE**

8.1 Reviewing the Company's overall corporate governance arrangements by:

8.1.1 undertaking a formal and rigorous evaluation annually of its own performance, that of its committees and individual directors and the division of responsibilities;

8.1.2 determining the independence of non-executive directors in light of their character, judgment and relationships;

8.1.3 considering the balance of interests between shareholders, employees, customers, the community and other relevant stakeholders;

8.1.4 receiving reports on the views of the Company's shareholders to ensure that they are communicated to the board as a whole; and

8.1.5 authorising conflicts of interest where permitted by the Group Company's articles of association.

8.2 Assessing and monitoring the Group's culture and ensuring the policies, practices and behaviours are aligned with the Company's purpose, values and strategy.

8.3 Approving the division of responsibilities and delegated levels of authority between the Chair, the Chief Executive (whose authority limits must be set out in writing) and other executive directors.

8.4 Establishing board committees, approving the terms of reference of Board committees and approving material changes thereto.

8.5 Receiving reports from Board committees on their activities.

8.6 Approving formal corporate policies including:

8.6.1 code of conduct;

8.6.2 share dealing code;

8.6.3 bribery prevention policy;

8.6.4 whistleblowing policy;

- 8.6.5 health and safety policy;
- 8.6.6 environmental and sustainability policy;
- 8.6.7 human resources policy;
- 8.6.8 communication policy (including procedures for the release of price-sensitive information);
- 8.6.9 corporate social responsibility policy; and
- 8.6.10 charitable and political donations policies.

## 9. OTHER

- 9.1 Approving/supervising the prosecution, commencement, defence or settlement of litigation, or an alternate dispute resolution mechanism material to interest of the Company/Group involving more than £0.5 million or being otherwise material to the interests of the Company/Group.
- 9.2 Approving the overall levels of insurance for the Group including directors' and officers' liability insurance and indemnification of directors.
- 9.3 Authorising political or charitable contributions by any Group Company.
- 9.4 Approving 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.
- 9.5 Approving the appointment of the Group's principal professional advisers.
- 9.6 Approving major changes to the rules of the Group's pension scheme or change of trustees.
- 9.7 Approving this Schedule of Reserved Matters for Board decision.

## **PROCEDURE FOR DECISIONS BY THE BOARD REQUIRED BETWEEN BOARD MEETINGS**

For the purpose of decisions on all matters arising from the above Schedule of Reserved Matters, where a decision is required prior to the next scheduled Board meeting, approval will be by a majority of the directors, which must include one executive director, in writing or by phone or video conference or email and recorded by the company secretary or their nominee. There shall also be a report to the next Board meeting on the reserved matter.

Approved by the Board on 22 October 2021.