



Responsibilities of the Board

The formal schedule of matters specifically reserved for decision by the board of directors (the “**Board**”) of the Company is set out below.

In carrying out the Board’s responsibilities, all directors should understand the views of the Company’s key stakeholders and must act in the way he or she considers to be in the best interests of the Company and consistent with their statutory duties as set out in sections 171 to 177 of the Companies Act 2006. Directors should have regard to their duty to promote the long-term success of the Company for the benefit of its members as a whole, and in doing so, have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of employees;
- (c) the need to foster business relationships with suppliers, customers and others;
- (d) the impact of operations on the community and the environment;
- (e) the desirability of maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between members of the Company.

1. Financial reporting

- 1.1 Approval of the half-year results and full year results of the Company.
- 1.2 Approval of the Company’s dividend policy.



- 1.3 Declaration of any interim dividend and recommendation of any final or special dividends.
- 1.4 Approval of the Company's annual report and accounts, including any significant changes in accounting policy or practice.
- 1.5 Approval of the appointment, re-appointment and removal of the external auditor.

2. Listing and regulatory matters

- 2.1 Approval of prospectuses and listing particulars, and other circulars to shareholders.
- 2.2 Approval of resolutions and associated documentation to be put to shareholders at general meetings.
- 2.3 Approval of dealing procedures for Persons Discharging Managerial Responsibilities and their connected persons pursuant to the Financial Conduct Authority's Listing Rules and Disclosure Guidance and Transparency Rules and the Market Abuse Regulation.

3. Board membership and Board committees

- 3.1 Appointment and removal of directors of the Company in the circumstances prescribed by the Company's articles of association (the "**Articles**").
- 3.2 Appointment of any director as Chairman or Deputy Chairman of the Board or Senior Independent Director and the termination of such appointments.
- 3.3 Appointments to and removal from certain executive positions within the Company, being the positions of Chief Executive Officer, Chief Financial Officer and any executive director.
- 3.4 Approval of the membership and terms of reference of Board committees.
- 3.5 Approval of the division of responsibilities between the Chairman, the Senior Independent Director and the Chief Executive Officer.
- 3.6 Authorisation of directors' conflicts of interest in accordance with the Articles.
- 3.7 Appointment and removal of the Company Secretary.



4. Strategy and management

- 4.1. Responsibility for the Company's overall strategy and values, culture and governance.
- 4.2. Approval of the Company's annual budget.
- 4.3. Approval of, and significant changes to, the Company's system of internal control and risk management, including procedures for the detection of fraud and prevention of bribery.
- 4.4. Approval and monitoring of the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in its financial reporting and other matters, ensuring that they allow proportionate and independent investigation of such matters and appropriate follow up action.
- 4.5. Approval of treasury risk management policies.
- 4.6. Within the policy approved by shareholders, approval of the framework of executive directors' remuneration.
- 4.7. Approval of the remuneration and terms of appointment of non-executive directors of the Company, the Company Secretary and other senior management.
- 4.8. Matters for agendas for any general meetings of the Company.

5. Capital transactions

- 5.1. Approval of any individual item or series of linked transactions that would or might commit:
 - 5.1.1 the Company or any of its consolidated subsidiary undertakings to capital spending (including investments) or liability of £45 million or more (or any follow-on investment where the value of such an investment is £45 million or more); and
 - 5.1.2 any of the Company's majority owned investee companies to capital spending of £45 million or more (or any follow-on investment where the value of such an investment is £45 million or more).
- 5.2. Approval of the annual capital allocation by the Company to the Funds pool where such allocation exceeds £45 million.



- 5.3. Approval of any individual item or series of linked transactions that would or might result in the disposal or realisation of any investment or asset with a value of £45 million or more (excluding realisations made by the Quoted Equity pool provided these are consistent with the pool's Board approved asset allocation).

6. Structure and capital

- 6.1. Approval of any increase/reduction in the issued share capital of the Company within the limits approved by shareholders.
- 6.2. The issue or repayment of debt securities or any other borrowings, other than in accordance with an approved treasury risk management policy, by the Company or any consolidated subsidiary undertaking of the Company, in excess of £10 million.
- 6.3. Approval of any changes to the Company's listing or its status as a public limited company.

7. Employee share and pensions schemes

- 7.1. Approval of major changes in employee share and pension schemes.
- 7.2. Appointment and removal of trustees of the Caledonia Pension Scheme (subject to the requirements of the Pensions Act 2004 and the Occupational Pensions Schemes (Member-nominated Trustees and Directors) Regulations 2006).

8. Donations

- 8.1. Approval of any donation to a political party, either in the UK or overseas, within any limit approved by shareholders.
- 8.2. Approval of the Company's budget for charitable donations for each financial year.