

**VORDERE PLC**  
**(the “Vordere” or the “Company”)**

**MATTERS RESERVED FOR THE BOARD**  
**APPROVED ON 24 OCTOBER 2017**

**Introduction**

At the Vordere Board meeting held in August 2017, the Directors agreed that whilst strictly speaking Vordere was not subject to the Code as a Company with a listing in the standard sector of the London Stock Exchange, the Board was keen to understand where it could apply the Code and in principle supported the application of the Code on a proportionate basis.

The UK Corporate Governance Code 2016 (the ‘Code’) states that “There should be a formal schedule of matters specifically reserved for the board’s decision” and that the annual report should contain a “high level statement of which types of decisions are to be taken by the board and which are to be delegated to management.” (A.1.1)

The Code also states that “The board’s role is to provide entrepreneurial leadership of the company within a framework of prudent and effective controls which enables risk to be assessed and managed. The board should set the company’s strategic aims, ensure that the necessary financial and human resources are in place for the company to meet its objectives and review management performance. The board should set the company’s values and standards and ensure that its obligations to its shareholders and others are understood and met.” (A.1)

**Document execution**

In drawing up a Schedule of Matters Reserved for the Board, Vordere should clarify which type of documents require approval by the Board (either because they must be executed by the Company or because they exceed specified monetary or other thresholds) and which can be approved and executed by executive management under a delegated authority.

**Delegation**

Certain of the matters included in this document should, under the provisions of the Code, be the subject of recommendations by the relevant committee, if applicable. However, full delegation is not normally permitted in these cases as the final decision on the matter is required to be taken by the whole board.

**Urgent matters**

This document is aiming to establish procedures for dealing with matters which need to be dealt with urgently between regular board meetings. In these circumstances, it is recommended that a telephone or video conference meeting should be held in which as many directors as possible participate. This allows directors the opportunity to discuss the matter and ask questions. Any director who cannot attend should still be sent the relevant papers and have the opportunity to give their views to the chairman, another director or the Company Secretary before the meeting. The procedures should balance the need for urgency with the overriding principle that each Director should be given as much information as possible, the time to consider it properly and an opportunity to discuss the matter prior to the commitment of the Company.

## SCHEDULE OF MATTERS RESERVED FOR THE BOARD OF VORDERE PLC

<b>1. STRATEGY AND MANAGEMENT</b>		
1.1	Responsibility for the overall leadership of the Company and setting the Company's values and standards.	Code A.1
1.2	Approval of the group's strategic aims and objectives.	Code A.1
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 to ensure: <ul style="list-style-type: none"> <li>• competent and prudent management;</li> <li>• sound planning;</li> <li>• maintenance of sound management and internal control systems;</li> <li>• adequate accounting and other records; and</li> <li>• compliance with statutory and regulatory obligations.</li> </ul>	Code C.2.
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.	Code B.6
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.	
<b>2. STRUCTURE AND CAPITAL</b>		
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 use of treasury shares.	
2.2	Major changes to the group's corporate structure, 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).	
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.	
<b>3. FINANCIAL REPORTING AND CONTROLS</b>		
3.1	Approval of the half-yearly report, interim management statements and any preliminary announcement of the final results.	Code C.1. Audit DTR 4.1.-4.4.
3.2	Approval of the annual report and accounts, including the corporate governance statement and directors' remuneration report.	CA06 s414, s415 DTR 4, LR9.8. Code C.1. Audit
3.3	Approval of the dividend policy.	
3.4	Declaration of the interim dividend and recommendation	LR 9.7. A.2.

	of the final dividend.	DTR 6.1.13.
3.5	Approval of any significant changes in accounting policies or practices.	Code C.1. and C.3., Audit
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).	
<b>4. PROPERTY PORTFOLIO</b>		
4.1	Approval of any significant portfolio-related changes and investments following recommendations from the Investment Committee, or the appropriate party.	
4.2	Approval of periodic valuations of the Company's property portfolio, following review by the Audit Committee.	
<b>5. INTERNAL CONTROLS</b>		
5.1	Ensuring maintenance of a sound system of internal control and risk management including: <ul style="list-style-type: none"> <li>• Approving the Company/group's risk appetite statements;</li> <li>• Receiving reports on, and reviewing the effectiveness of, the group's risk and control processes to support its strategy and objectives;</li> <li>• Approving procedures for the detection of fraud and the prevention of bribery;</li> <li>• Undertaking an annual assessment of these processes; and</li> <li>• Approving an appropriate statement for inclusion in the annual report.</li> </ul>	Code C.2., C.2.1, Audit UK Bribery Act 2010
<b>6. CONTRACTS</b>		
6.1	Approval of major capital projects and oversight over execution and delivery following recommendations from the Investment Committee.	
6.2	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, for example total borrowings above 2 percent of total market cap and acquisitions or disposals of fixed assets including intangible assets such as intellectual property).	
6.3	Contracts of the Company or any subsidiary not in the ordinary course of business, for example loans and repayments above 2 per cent of total market cap; foreign currency transactions above 2 per cent of total market cap; major acquisitions or disposals above 2 per cent of total market cap.	

6.4	Major investments including the acquisition or disposal of interests of more than 3 per cent. in the voting shares of any company or the making of any takeover offer.	
<b>7. COMMUNICATION</b>		
7.1	Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.	Code E.1.
7.2	Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.	LR 13.
7.3	Approval of all circulars, prospectuses and listing particulars approval of routine documents such as periodic circulars about scrip dividend procedures or exercise of conversion rights could be delegated to a committee.	LR 13. PR 5.5.
7.4	Approval of press releases concerning matters decided by the board.	
<b>8. BOARD MEMBERSHIP AND OTHER APPOINTMENTS</b>		
8.1	Changes to the structure, size and composition of the board, following recommendations from the nomination committee.	Code B.1., Nomination
8.2	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.	Code B.2.
8.3	Appointments to the board, following recommendations by the nomination committee.	Code, B.2.1., Nomination
8.4	Selection of the chairman of the board and the chief executive.	GBE 1.4. - 1.8, 1.12-1.17, 4.1-4.7 and Nomination
8.5	Appointment of the senior independent director to provide a sounding board for the chairman and to serve as intermediary for the other directors when necessary.	Code A.4.1. GBE 1.9-1.11 Nomination
8.6	Membership and chairmanship of board committees following recommendations from the nomination committee.	Nomination
8.7	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.	Nomination
8.8	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.	Nomination
8.9	Appointment or removal of the Company Secretary.	CA06 Part 12 s270-280, Code B.5.2 and GBE 2.1.-2.4.

8.10	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.	CA06 s489 and s491, Code C.3.2. and Audit
8.11	Appointments to boards of subsidiaries.	
<b>9. REMUNERATION</b>		
9.1	Determining the remuneration policy for the directors, Company Secretary and other senior executives.	Code D.2. and Remuneration
9.2	Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.	Code D.2.3
9.3	The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.	Remuneration
<b>10. DELEGATION OF AUTHORITY</b>		
10.1	The responsibilities between the chairman, the chief executive and other executive directors.	Code A.2.1
10.2	Approval of the delegated levels of authority, including the Chief Executive's authority limits (which must be in writing).	
10.3	Establishing board committees and approving their terms of reference, and approving material changes thereto.	Code B.2.1 Nomination, C.3.1 Audit and D.2.1 Remuneration
10.4	Receiving reports from board committees on their activities.	
<b>11. CORPORATE GOVERNANCE MATTERS</b>		
11.1	Undertaking a regular review of its own performance, that of its committees and individual directors, and the division of responsibilities.	Code B.6.
11.2	Determining the independence of non-executive directors in light of their character, judgment and relationships.	Code B.1.1.
11.3	Considering the balance of interests between shareholders, employees, customers and the community.	CA06 s172
11.4	Review of the group's overall corporate governance arrangements.	
11.5	Receiving reports on the views of the Company's shareholders to ensure that they are communicated to the Board as a whole.	Code E.1.1.
11.6	Authorising conflicts of interest where permitted by the Company's Articles of Association.	CA06 s177

<b>12. POLICIES</b>		
	Approval of policies, including: <ul style="list-style-type: none"> <li>• Code of conduct;</li> <li>• Share dealing code;</li> <li>• Bribery prevention policy;</li> <li>• Whistleblowing policy;</li> <li>• Health and safety policy;</li> <li>• Environment and sustainability policy;</li> <li>• Human resources policy;</li> <li>• Communications policy including procedures for the release of price-sensitive information;</li> <li>• Corporate social responsibility policy; and</li> <li>• Charitable donations policy.</li> </ul>	Code A.1
<b>13. OTHER</b>		
13.1	The making of political donations up to £50,000.	
13.2	Approval of the appointment of the group’s principal financial, legal and technical advisers.	
13.3	Prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism involving above 2 percent of outstanding market cap or being otherwise material to the interests of the group.	
13.4	Approval of the overall levels of insurance for the group including directors’ & officers’ liability insurance and indemnification of directors.	Code A.1.3.
13.5	Major changes to the rules of the group’s pension scheme, or changes of trustees or changes in the fund management arrangements.	
13.6	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.	
13.7	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.

## **INDEX**

CA06 refers to the Companies Act 2006

Code refers to The UK Corporate Governance Code (2016)

GBE refers to the FRC Guidance on Board Effectiveness

DTR refers to the FCA’s Disclosure and Transparency Rules

LR refers to the FCA’s Listing Rules

PR refers to the FCA’s Prospectus Rules