
Record Plc

Matters reserved for the Board

Approved by the Board in February 2022



LIST OF RESERVED MATTERS FOR THE BOARD

The following matters shall be reserved for consideration and approval by the Board:

1. MANAGEMENT AND STRATEGY

- 1.1 Responsibility for the overall direction and management of the Group.
- 1.2 Approval of the Group's long-term objectives and commercial strategy (at least annually).
- 1.3 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 1.4 Oversight of the Group's operations at subsidiary level ensuring: competent and prudent management; sound planning; an adequate system of internal control and risk management; adequate accounting and other records; compliance with legal and regulatory obligations.
- 1.5 Review of performance in light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.6 Any decision to extend the Group's activities into new business or geographic areas outside the existing risk appetite or material expansion of existing activities.
- 1.7 Any decision to cease to operate all or any material part of the Group's business.
- 1.8 To approve:
 - 1.8.1 the formation, acquisition, divestment, liquidation or the cessation of operations of a company (including a joint venture company) or other assets or liabilities; and
 - 1.8.2 any investment or capital projects or any other transactions,in each case where such transaction constitutes either a Class 1 or Class 2 transaction or a reverse takeover for the purposes of the Listing Rules issued by the Financial Conduct Authority.

2. STRUCTURE AND CAPITAL

- 2.1 Major changes to the Group's corporate structure.
- 2.2 Changes to the Group's management and control structure.
- 2.3 Any changes to the Company's listing, the market on which its securities are traded or its status as a plc.
- 2.4 Changes relating to the Group's capital structure including dividends, reductions of capital, share issues (except under employee share plans), issuances of securities conferring rights of subscription for or conversion into shares, share buy-backs (including the use of treasury shares).
- 2.5 To authorise calls on or forfeiture of shares.
- 2.6 Review and approval of the Group's internal capital adequacy and risk assessment process ("ICARA") including stress and scenario testing.

3. FINANCIAL REPORTING AND CONTROLS

- 3.1** Approval of the half-yearly report, interim management statements, trading statements and any preliminary announcement of the final results and any other similar reports or statements of the Company.
- 3.2** Approval of the annual report and accounts, including the corporate governance statement and remuneration report.
- 3.3** Approval of the accounting policies and practices (including any significant changes thereto) to be applied and adopted in the preparation of the Group's financial statements, to receive any proposed qualification to the accounts.
- 3.4** Approval of the dividend policy.
- 3.5** Declaration of the interim dividend and recommendation of the final dividend.
- 3.6** Approval of treasury policies (including foreign currency exposure and the use of financial derivatives).
- 3.7** Approval of seed or other capital investments into any investment product, including Record's own products/funds.
- 3.8** Approval of material unbudgeted capital or operating expenditure.
- 3.9** Approval of transfers to reserves and appropriations of profit by Group Companies.
- 3.10** The review of post-completion reports on capital expenditure projects which it approves.
- 3.11** The review of the financing of the Group, at least twice each year.
- 3.12** Approval of credit limits for the placing of deposits with individual financial institutions, approval of the issue of loan stock or similar debt instruments by any member of the Group.
- 3.13** The giving of security over any material asset of any member of the Group, the entry into loan facilities, debt financing, sale and lease financing arrangements and contracts for derivatives, subject to the levels of delegated authority approved by the Board from time to time.
- 3.14** The approval of guarantees, indemnities or the giving of letters of comfort by any member of the Group where the amount of the underlying liability exceeds £250,000.
- 3.15** The review of the management of the Group's foreign exchange and interest rate exposures, at least twice each year.
- 3.16** Upon recommendation of the Audit Committee, recommending to shareholders the appointment, reappointment or removal of the external auditor and the authority to determine the auditor's remuneration.

4. INTERNAL CONTROLS AND RISK MANAGEMENT

- 4.1** Ensuring maintenance of a sound system of internal control and risk management, including receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives; undertaking an annual assessment of these processes; approving an appropriate statement for inclusion in the annual report.
- 4.2** Approval of the risk management policies including insurance, hedging, borrowing limits and corporate security.
- 4.3** Approving procedures for the detection of fraud and the prevention of bribery.
- 4.4** Oversight of anti-money laundering controls.
- 4.5** Approval of the Group's risk management framework, risk appetite and risk tolerance limits and the at least annual review of the Group's key risks.
- 4.6** Receiving reports from the Head of Risk on the current risk exposures of the Group with particular emphasis on prudential risks.
- 4.7** Receiving reports from the Head of Risk on proposals for consideration and approval in respect of the overall risk appetite and tolerance of the Group.
- 4.8** Review and approval of the risk issues relating to material transactions and strategic proposals.
- 4.9** Providing advice, oversight and challenge necessary to embed and maintain a supportive risk culture throughout the Group.
- 4.10** Oversight of operational conflicts of interest ensuring management has put appropriate systems in place to identify and manage all conflicts arising, challenge existing controls and assess new or changes to material conflicts of interests. Additionally receiving reports from management on such matters on a regular basis.

5. CONTRACTS

- 5.1** Approval of purchase commitment contracts which are material strategically or by reason of size, entered into by any member of the Group in the ordinary course of business, above £250,000.
- 5.2** Approval of contracts with a third party, including relating to property or land, with a committed term in excess of one year's duration.
- 5.3** Approval of purchase contracts entered into by any member of the Group which are not in the ordinary course of business above £250,000.
- 5.4** Approval of the entry into finance and operating leases where the capital value of the assets concerned exceeds £250,000.
- 5.5** Approval of acquisitions or disposals of interests in companies or businesses or material assets above £250,000, the formation or liquidation of any subsidiary (including any joint venture vehicle), subject to the levels of delegated authority approved by the Board from time to time.

5.6 Approval of the making of any takeover bid for another company governed by the City Code on Takeovers and Mergers.

5.7 Approval of any approach by or on behalf of a party making, or with a view to making, a general offer for the Company's shares or any offer whereby a change in control of the Company may result.

6. COMMUNICATION

6.1 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.

6.2 Approval of the calling of shareholder meetings and the form and issue of resolutions and related documentation to be presented to shareholders at a general meeting.

6.3 Approval of the form and issue of any prospectuses or circulars to holders of the Company's securities.

6.4 Approval of announcements relating to the Group's financial or press releases (i.e. to the Financial Conduct Authority or the London Stock Exchange) concerning matters decided by the Board or which may be price sensitive.

6.5 Communicating with analysts in relation to the release of company reports, trading updates, annual report and accounts, announcements or press releases relating to the Group.

7. BOARD MEMBERSHIP AND OTHER APPOINTMENTS

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

7.2 Ensuring adequate succession planning for the Board and senior management.

7.3 Approving arrangements relating to the appointment and resignation of directors to or from the Board (both executive and non-executive) and of the Company Secretary and the senior management of the Group (including the Head of Compliance & Head of Risk) and all terms and conditions thereof (including, for the avoidance of doubt, their removal from office or termination of employment). In the case of executive directors, the Company Secretary and the senior management, the terms and conditions shall be recommended by the Remuneration Committee. In the case of non-executive directors, the terms and conditions, including fees from time to time, shall be for approval by the Board in accordance with the articles of association.

7.4 Determining the responsibilities of the senior management of the Group and making arrangements regarding appropriate training and development for the directors and the senior management.

7.5 Selection of the Chair of the Group and the Chief Executive Officer.

7.6 Appointment of the Senior Independent Director.

7.7 Determining the membership and Chair of all Board Committees.

7.8 Receiving reports from Board Committees on their activities.

7.9 Approving the terms of reference of all Board Committees-(and any material changes thereto).

- 7.10** Approving the 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 Annual General Meeting and otherwise as appropriate.
- 7.11** Determining the division of responsibilities between the Chair of the Group and the Chief Executive Officer, which should be in writing and made publicly available.
- 7.12** Approving the terms of reference, procedures and limits of authority granted to the Chief Executive Officer and any Group operating board.
- 7.13** Approval of the delegated levels of authority, including the Chief Executive Officer's authority limits, which should be in writing.
- 7.14** Approving appointments to the Boards of Group companies.
- 7.15** Considering (and where required approving):
 - 7.15.1** applications by directors for permission to accept outside appointments;
 - 7.15.2** transactions with directors and other related parties; and
- 7.16** Any other matters as directed from time to time by the Board.

8. REMUNERATION

- 8.1** Oversight of the overall remuneration strategy of the Group.
- 8.2** Oversight of the remuneration policy for the Directors, Company Secretary, Head of Compliance and Head of Business Risk ensuring that the policy promotes effective risk management.
- 8.3** Approving the remuneration of the Non-executive Directors, subject to the Company's Articles of Association.
- 8.4** To approve the application of the Group's share option schemes as recommended by the Remuneration Committee.
- 8.5** Approval of new share incentive plans or major changes to existing plans as recommended by the Remuneration Committee, to be put to shareholders for approval.

9. CORPORATE GOVERNANCE MATTERS

- 9.1** Undertaking a formal and rigorous review annually of its own performance, that of Board Committees and individual Directors and division of responsibilities.
- 9.2** Determining the independence of Non-executive Directors in light of their character, judgment and relationships.
- 9.3** Considering the balance of interests between shareholders, employees, customers and the community.
- 9.4** Review of the Group's overall corporate governance arrangements.

- 9.5 To review the engagement mechanisms with the Group's key stakeholders and ensure they remain effective.
- 9.6 To receive notification of sales or purchases of shares by directors and senior management of the Group in accordance with the Group's code of dealing for such transactions by directors and senior management.
- 9.7 Receiving reports on the views of the Record plc's shareholders to ensure they are communicated to the Board as a whole.
- 9.8 Authorising actual or potential Directors' conflicts of interests where permitted by the Company's Articles of Association and any statutory requirements.

10. POLICIES/PUBLISHED STATEMENTS

- 10.1 Direct ownership and approval of policies regarding the code of ethics and business practice, share dealing, human trafficking, whistleblowing, communications (including procedures for the release of price sensitive information), conflicts of interest and corporate social responsibility, along with any other policies specified in Appendix 2.
- 10.2 Appropriate delegation of the ownership of policies as specified in Appendix 2.
- 10.3 Oversight of the publication of official statements in the annual accounts that include the share dealing code and matters that cover health and safety, environmental, communications (including procedures for the release of price sensitive information); corporate social responsibility and charitable donations.
- 10.4 To oversee workforce policies and practices.
- 10.5 To (i) routinely review the adequacy and security of the Group's arrangements for its employees to raise concerns anonymously; (ii) to routinely review the reports arising from its operation; and (iii) ensure that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action.

11. GENERAL

- 11.1 The institution, defence or settlement of legal proceedings (or a similar process) by any member of the Group where the costs appear likely to exceed £100,000 or in relation to matters having a value or effect on any member of the Group in excess of £100,000 or being otherwise material to the Group's interests.
- 11.2 Approval of the engagement of the Company's principal professional advisers.
- 11.3 Approval of the overall levels of insurance for the Group including directors' and officers' liability insurance and indemnification of directors.
- 11.4 Major changes in the rules of the Group's pension scheme, any increases in pension benefits payable under the Company's pension schemes or change of trustees or material changes in the fund management arrangements.

- 11.5** Approving this schedule of matters reserved for Board decisions and any other matters not within the approved terms of reference of any Committee of the Board.
- 11.6** To receive and review regular reports on pension, health, safety and environment and insurance matters, and any material litigation affecting the Group.
- 11.7** To approve any decision likely to have a material impact on Group from any perspective, including, but not limited to, financial, operational, strategic or reputational.
- 11.8** The making of political donations (noting no US donations are permitted by policy).
- 11.9** To authorise signatories on the Group's bank mandates and authorise/ratify the affixing of the Common Seal of the Company as appropriate.
- 11.10** To approve any proposed alteration to the articles of association of the Company (subject to shareholder approval).
- 11.11** To approve any new tax strategy.
- 11.12** Any other matter as determined from time to time by the Board.

The monetary limits specified in this list of reserved matters are subject to variation by the Board on a specific or general basis (as the case may be) from time to time.

Matters which the Board considers suitable for delegation are contained in the terms of reference of its Committees.

The Board will receive reports and recommendations from time to time on any matters which it considers significant to the Group.



record

Listen
Understand
Deliver

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