

**Clarkson PLC**  
**(the “Company”)**

**Schedule of Matters Reserved for the Board**

As adopted by the Board on 29 January 2020

References to:

- “**Board**” shall mean the Board of Directors of Clarkson PLC
- “**Group**” shall mean the Company and its subsidiaries
- “**Senior Managers**” or “**Senior Management**” shall mean the first layer of management below the Board, including the Company Secretary

**1 Strategy and Management**

- 1.1 Responsibility for the overall leadership of the Group and setting, promoting and monitoring the Group’s culture and values.
- 1.2 Approval of the Group’s purpose, strategic aims and objectives, such that they are aligned with the long-term sustainable success of the Group.
- 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 ensuring:
  - competent and prudent management
  - sound planning
  - adequate systems of management and internal control
  - adequate accounting and other records
  - compliance with statutory and regulatory obligations
- 1.5 Review of performance in the light of the Group’s strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 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 or make any material change to the business.

Each matter presented under this section will be evaluated for:

- strategic fit
- financial and economic effect
- risk exposure

**2 Structure and Capital**

- 2.1 Material changes relating to the Group’s capital structure including any reduction of capital, share issues (except under employee share plans) and share buybacks 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 (taking into account initial and deferred consideration) and material equity investments and disposals.

- 2.3 The sale of any material minority interest in a Group subsidiary.
- 2.4 Changes to the Group's management and control structure.
- 2.5 Any changes to the Company's listing or its status as a plc.

### **3 Financial Reporting and Controls**

- 3.1 \*Approval of preliminary announcements of interim and final results.
- 3.2 \*Approval of the annual report and accounts, including the corporate governance statement and directors' remuneration report.
- 3.3 \*Approval of the dividend policy.
- 3.4 \*Declaration of the interim dividend and recommendation of the final dividend.
- 3.5 \*Approval of any significant changes in accounting policies or practices.
- 3.6 Approval of treasury policies including foreign currency exposure and the use of financial derivatives.
- 3.7 Subject to point 12.6, approval of material unbudgeted capital or operating expenditures (outside pre-determined tolerances) above £2 million.

### **4 Risk Management and Internal Controls**

- 4.1 Ensuring the design and implementation of appropriate risk management and internal control systems that identify the risks facing the Group and enable the Board to make a robust assessment of the emerging and principal risks. This will include:
  - determining the nature and extent of the emerging and principal risks faced and those risks which the organisation is willing to take in achieving its strategic objectives (determining its "risk appetite")
  - reviewing annually the effectiveness of the Group's risk management and internal control systems
  - approving procedures for the detection of fraud and the prevention of bribery

### **5 Contracts**

- 5.1 Approval of major capital projects.
- 5.2 Contracts which are material strategically or by reason of size, entered into by the Company or any subsidiary in the ordinary course of business, including but not limited to bank borrowings above £2.5 million; and acquisitions or disposals of fixed assets above £2 million.
- 5.3 Contracts of the Company or any subsidiary not in the ordinary course of business, including but not limited to loans and repayments above £1.0 million; foreign currency transactions above \$50 million other than regular spot sale of foreign currencies in hand at the date of sale; major acquisitions or disposals above £2 million.
- 5.4 Any investment in a public company and any investment including the acquisition or disposal of interests of more than 5 percent in the voting shares of a private company, or the making of any takeover offer.

- 5.5 Any joint venture agreement, material outsourcing agreement or proposal to insource material activities.
- 5.6 The making or recommendation to accept any takeover or merger offer.

## **6 Communication and Engagement**

- 6.1 Ensuring satisfactory dialogue with shareholders based on the mutual understanding of objectives.
- 6.2 Considering the views of all key stakeholders, and keeping engagement mechanisms under review so that they remain effective.
- 6.3 Reviewing regularly the adequacy and security of the Group's arrangements for its workforce to raise concerns, in confidence (and, if they wish, anonymously) about possible wrongdoing in any matter. Ensuring that these arrangements allow proportionate and independent investigation of such matters and follow-up action.
- 6.4 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 6.5 \*Approval of all circulars and listing particulars.
- 6.6 \*Approval of press releases concerning matters decided by the Board.

## **7 Board membership and other appointments**

- 7.1 \*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 Managers so as to maintain an appropriate balance of skills and experience within the Group and on the Board.
- 7.3 Following recommendation by the Nomination Committee:
  - 7.3.1 \*appointments to the Board
  - 7.3.2 \*selection of the Chair of the Board and the Chief Executive Officer
  - 7.3.3 \*appointment of the Senior Independent Director
  - 7.3.4 \*membership and chairmanship of Board committees
- 7.4 \*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.
- 7.5 \*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.
- 7.6 \*Appointment or removal of the Company Secretary.
- 7.7 \*Appointment, reappointment or removal of the external auditor to be put to shareholders for approval in general meeting, following recommendation by the Audit and Risk Committee.

- 7.8 Appointments of non-Clarkson employees to boards of subsidiaries or appointments of Clarkson employees to boards of companies where Clarkson has a minority interest.

## **8 Remuneration**

- 8.1 \*Determining (on recommendation from the Remuneration Committee) the remuneration policy for the executive directors, Senior Managers and the Chair.
- 8.2 Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.
- 8.3 \*The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.

## **9 Delegation of Authority**

- 9.1 \*The responsibilities of the Chair, the Chief Executive Officer and the Senior Independent Director, which should be in writing.
- 9.2 Approval of the delegated levels of authority, including the Chief Executive Officer'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 and rigorous annual evaluation of the performance of the Board, its committees and individual directors, reviewing the outcome of the review of the Board and its committees and, on the recommendation of the Nomination Committee (who has responsibility to oversee the process), approving actions where required to address findings.
- 10.2 \*Following review by the Nomination Committee, determining the independence of directors in the light of their character and judgement and whether there are any relationships or circumstances which affect their judgement.
- 10.3 \*Considering the balance of interests between shareholders, employees, customers and the community.
- 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 any actual or potential conflicts of interest in accordance with the Company's articles of association and the Companies Act 2006.

## **11 Policies**

- 11.1 Approval of key Group policies (and any material amendments thereto from time to time), including:
- Compliance Code
  - Anti-Bribery and Corruption Policy

- Whistleblowing Policy
- Share Dealing Code
- Health and Safety Policy
- Modern Slavery Act Statement
- Diversity and Inclusion Policy
- Environmental Policy

## 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 above £1 million.
- 12.4 Approval of the overall levels of insurance for the Group including directors' and officers' liability insurance and indemnification of directors.
- 12.5 Major changes to the rules of the Group's pension scheme, or changes of trustees or, when this is subject to the approval of the Company, changes in the fund management arrangements.
- 12.6 Any other matters not listed above which because of their strategic, risk, financial, key person, regulatory or reputational implications or consequences should be addressed by the Board as a matter of material business impact.
- 12.7 This schedule of matters reserved for Board decisions.

## 13 Approvals History

Date	Approved by	Details
7 March 2019	Clarkson PLC Board	Annual review
29 January 2020	Clarkson PLC Board	Annual review

Matters which the Board considers suitable for delegation are contained in the terms of reference of its Committees. In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.

*Items marked \* are not considered suitable for delegation to a committee of the Board, for example because of Companies Act requirements or because, under the recommendations of the UK Corporate Governance Code, they are the responsibility of an Audit, Nomination or Remuneration Committee, with the final decision required to be taken by the Board as a whole.*