



**NCC GROUP PLC
("Company")**

SCHEDULE OF MATTERS RESERVED FOR THE BOARD (Updated September 2019)

The points listed below relate to matters on which the board has reserved powers. All such matters accordingly require the express approval of the board except in so far as it may on some occasions resolve to delegate its powers. In circumstances where a matter reserved for consideration by the board requires urgent attention it may be necessary to convene a board meeting at very short notice. In such an event, all reasonable measures will be taken to ensure that the views of all directors are taken into account.

1. Strategy and management

- 1.1 Responsibility for the overall management of the Group and setting the Group's values and standards.
- 1.2 Approval of the Group's strategic aims and objectives and commercial strategy.
- 1.3 Approval of the annual operating and capital expenditure budgets of the Group, and any material changes to them.
- 1.4 Oversight of the Group's operations ensuring:
 - competent and prudent management;
 - sound planning;
 - implementation and maintenance of an adequate system of internal control;
 - adequate accounting and other records; and
 - compliance with legal 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 material new business or geographic areas.
- 1.7 Any decision to cease to operate all or any material part of the Group's business.

2. Structure and capital

- 2.1 Changes relating to the Group's capital structure, including any reduction of capital, share issues (except under employees' share schemes) and purchases of own shares (including the use of treasury shares).
- 2.2 Major changes to the Group's corporate structure.
- 2.3 Changes to the Group's management and control structure.
- 2.4 Any changes to the Company's listing or status as a public company.

3. Financial reporting and controls

- 3.1 Approval of preliminary announcements of interim and final results and any interim management statements.
- 3.2 Approval of the annual report and accounts including the corporate governance statement and 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, if appropriate, foreign currency and interest rate exposure, and the use of financial derivatives.
- 3.7 Changes to the Group's tax status.
- 3.8 Approval of unbudgeted expenditure outside pre-determined tolerances.

4. Internal controls

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

- 4.1 receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives;
- 4.2 Approval of the Group's risk management strategy and determining the nature and extent of the significant risks the Board is willing to take in achieving the Group's strategic objectives;
- 4.3 Approving procedures for the detection of fraud and the prevention of bribery;
- 4.4 undertaking an annual assessment of these processes; and
- 4.5 approving an appropriate statement for inclusion in the annual report.

5. Contracts

- 5.1 Major capital projects.
- 5.2 Contracts which are materially strategic or not in the ordinary course of business, and acquisitions or disposals of fixed assets above those delegated to the CEO and CFO in the Delegated Levels of Authority (DLA), as updated from time to time.
- 5.3 Contracts of the Company or any subsidiary not in the ordinary course of business, for example loans and repayments.
- 5.4 All acquisitions and/or disposals of more than three (3) per cent in the voting shares of any company or the making of any takeover offer.
- 5.5 Major investments.
- 5.6 Contracts with directors and authorisation of director conflicts of interest as appropriate.

6. Communication

- 6.1 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.
- 6.2 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 6.3 Approval of all circulars, prospectuses and admission documents, approval of routine documents such as periodic circulars about scrip dividend procedures or exercise of conversion rights can be delegated to a committee.
- 6.4 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 management so as to maintain an appropriate balance of skills and experience within the Company and on the board.
- 7.3 Appointments to the board, following recommendations by the nomination committee.
- 7.4 Appointments to the boards of subsidiary companies of the Group to the extent that they are not members of the Company's board.
- 7.5 Selection of the chairman of the board and the chief executive officer following recommendations from the nomination committee.

- 7.6 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.
- 7.7 Membership and chairmanship of board committees.
- 7.8 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.
- 7.9 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 Group (subject to any relevant legal requirements and his/her service contract).
- 7.10 Appointment or removal of the Company Secretary.
- 7.11 Appointment, re-appointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the audit committee.
- 7.12 Determining a formal management development programme for the Group.

8. Remuneration

- 8.1 Determining the remuneration policy for the directors, Company Secretary and other senior employees as appropriate.
- 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 employees' share schemes or other incentive plans, or major changes to existing schemes/plans, to be put to shareholders for approval.

9. Delegation of authority

- 9.1 The division of responsibilities between the chairman and the chief executive officer, which should be in writing.
- 9.2 Approval of the delegated levels of authority, including the chief executive officer's and chief financial officer's authority limits (the "DLA").
- 9.3 Establishing board committees and approval of terms of reference of board committees.
- 9.4 Receiving reports from board committees on their activities.

10. Corporate governance matters

- 10.1 Undertaking a formal and rigorous review annually of its own performance and that of its committees and individual directors.
- 10.2 Determining the independence of directors in light of their character, judgement and relationships.
- 10.3 Considering the balance of interests between shareholders, employees, customers and the community.
- 10.4 Reviewing the Group's overall corporate governance arrangements.
- 10.5 Receiving reports on the views of the Group's shareholders.
- 10.6 Authorising conflicts of interest where permitted by the Company's articles of association.

11 Health and Safety matters

- 11.1 Ultimate responsibility for all Group Health and Safety matters.
- 11.2 Approval of Health and Safety Policy and Fire Safety procedures, checking that such policy and procedures are implemented satisfactorily.

12 Policies

Approval of policies, including (but not limited to):

- 12.1 Code of Ethics;

- 12.2 Share dealing policy
- 12.3 Environmental policy;
- 12.4 Communications policy;
- 12.5 Open Door Policy;
- 12.6 Anti-bribery policy;
- 12.7 Whistleblowing policy.

13. Other

- 13.1 Disclosure of directors' interests.
- 13.2 The making of political donations/incurred of political expenditure.
- 13.3 Charitable donations above those delegated to the CEO and CFO under the DLA.
- 13.4 Approval of the appointment of the Group's principal professional advisers.
- 13.5 Approval of the appointment of the Group's auditors.
- 13.6 The Board shall be informed of any court proceedings served on the Group and shall approve the prosecution, defence or settlement of litigation involving an amount of more than that delegated to the CEO and CFO under the DLA.
- 13.7 Major changes to the rules of the Group's pension scheme. The Board may establish a Group pension scheme and shall approve any major change to any Group pension schemes in place.
- 13.8 This schedule of matters reserved for the board.
- 13.9 Approval of share incentive schemes for employees of Group.
- 13.10 Approval of the overall levels of insurance for the Group, including Directors' & Officers' liability insurance and indemnification of directors. (The insurance cover placement and premium payment itself can be approved by the CEO, CFO or Company Secretary).
- 13.11 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.
- 13.12 The consideration and, if necessary, defence against any offer to purchase the Company or a majority of its shares.

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.

Company Secretary

25 September 2019