

## **LIST OF MATTERS RESERVED FOR THE BOARD OF THE PEBBLE GROUP PLC (THE “COMPANY”)**

Certain of the matters referred to in this policy may be delegated to the Board’s Audit, Remuneration or Nomination Committees from time to time or to other committees of the Board formed for specific purposes and the terms of reference of those Committees may expand on the matters set out in this document. The Board retains ultimate responsibility for matters delegated to its Committees.

Directors of the Company and each of its subsidiaries (together the “Group”) have a primary fiduciary duty to act in the best interests of that company and its shareholders.

### **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 long-term objectives and commercial strategy.
- 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:
  - 1.4.1 competent and prudent management;
  - 1.4.2 sound planning;
  - 1.4.3 an adequate system of internal controls;
  - 1.4.4 adequate accounting and other records; and
  - 1.4.5 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 Approval to make acquisitions and disposals of shares and trade businesses.
- 1.8 Any decision to cease to operate all or any material part of the group’s business.
- 1.9 Ensuring that adequate succession plans are in place for the Company’s Board and for senior management roles below Board level

### **2. Structure and capital**

- 2.1 Changes to capital structure.
- 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 on AIM or its status as a plc.
- 2.5 Alterations to the company’s articles of association.

### **3. Financial reporting and controls**

- 3.1 Approval of the half-yearly report, any preliminary announcement of the final results and trading updates.
- 3.2 Approval of the annual report and accounts (including the strategic report, directors’ report, corporate governance statement and directors’ remuneration report).
- 3.3 Approval of the dividend policy.
- 3.4 Declaration of any 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 Approval of material unbudgeted capital or operating expenditures (outside pre-determined tolerances).

#### 4. **Internal controls**

- 4.1 Ensuring maintenance of a sound system of risk management and internal control including:
  - 4.1.1 receiving reports on, and reviewing the effectiveness of, the group's risk and control processes to support its strategy and objectives;
  - 4.1.2 approving procedures for the detection of fraud and the prevention of bribery;
  - 4.1.3 undertaking an annual assessment of these processes; and
  - 4.1.4 approving an appropriate statement for inclusion in the annual report.
- 4.2 Determining the nature and extent of the significant risks the Company is willing to take in achieving its strategic objectives.

#### 5. **Contracts**

- 5.1 Major capital projects of the group.
- 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, for example, acquisitions or disposals of fixed assets above £100,000.
- 5.3 Contracts of the company (or any subsidiary) not in the ordinary course of business which shall include loans and repayments, foreign currency forward contracts and acquisitions or disposals.
- 5.4 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).

#### 6. **Communication**

- 6.1 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 6.2 Approval of all circulars, prospectuses and listing particulars (as required).
- 6.3 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 Selection of the chairman of the Board and the chief executive.
- 7.5 Appointment of the senior independent director to provide a sounding board for the chairman and to serve as an intermediary for the other directors when necessary.
- 7.6 Membership and chairmanship of board committees, following receipt of recommendations by the nomination committee.
- 7.7 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.
- 7.8 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.
- 7.9 Appointment or removal of the company secretary.
- 7.10 Appointment, reappointment or removal of the auditor, to be put to the shareholders for approval following recommendation of the Audit Committee, determination of the audit fee and other terms of their appointment and overall oversight of the relationship with the auditor.
- 7.11 Appointments to boards of subsidiaries.

## 8. **Remuneration**

- 8.1 Determining the remuneration policy for the directors, company secretary and other senior executives, following receipt of recommendations by the remuneration committee.
- 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 Establishing board committees and approving their terms of reference, and approving material changes thereto.
- 9.2 Receiving reports from board committees on their activities.

## 10. **Corporate governance matters**

- 10.1 Determining the independence of directors (including in light of their character, judgment and relationships).
- 10.2 Establishing the Company's policy in respect of corporate governance (including compliance with the Quoted Companies Alliance Corporate Governance Code, the "QCA Code") and monitoring compliance with such policy. Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors.
- 10.3 Considering and authorising any conflicts or potential conflicts of directors and imposing any limitations, qualifications or restrictions following recommendations by the nomination committee.
- 10.4 Considering the balance of interests between shareholders, employees, customers and the community.
- 10.5 Review of the group's overall corporate governance arrangements.
- 10.6 Approving the division of responsibilities between the Chairman and the Chief Executive Officer
- 10.7 Receiving reports on the views of the company's shareholders and communicating these to the board.

## 11. **Policies**

- 11.1 Approval of policies including, but not limited to:
  - code of conduct;
  - share dealing code;
  - anti-slavery and human trafficking policy;
  - bribery and corruption;
  - social media policy;
  - whistleblowing policy;
  - AIM Rule 31 Compliance Policy;
  - Price-sensitive information policy; and
  - corporate social responsibility 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, defence or settlement of litigation.

12.4 Approval of the overall levels of insurance for the group including directors' and officers' liability insurance.

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 This schedule of matters reserved for board decisions.

13. **Delegated matters**

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

14. **Reports from subsidiaries**

In addition to the above, the Board will request reports and recommendations from its subsidiaries from time to time on any matter which it considers significant to the group which may include capital expenditure levels for a subsidiary and employment reports / remuneration levels as requested by the Board from time to time.

These terms of reference were discussed by the full board of directors of the Company, and adopted by resolution of the Board, on 28 November 2019.