



**PZ CUSSONS PLC**  
(the *Company*)

**SCHEDULE OF MATTERS RESERVED FOR THE BOARD**

The following are the matters which are reserved for the Board of Directors of the Company (the **Board**). In this schedule '**Group**' means the Company and its subsidiaries and affiliates.

**1. Leadership, strategy, budgets and management**

- 1.1 Providing leadership and setting the purpose, values and standards of the Company and the Group.
- 1.2 Approving the Group's business strategy and objectives, budget and forecasts and any material changes to them. The Group Executive are responsible for the management of the Group and developing the Group's business strategy, objectives, annual budget and forecasts and, once approved by the Board, ensuring their successful implementation.
- 1.3 Monitoring the delivery of the Group's business strategy and objectives and ensuring that necessary corrective action is taken.
- 1.4 Overseeing the Group's operations, ensuring competent and prudent management, sound planning, maintenance of sound management and internal control systems, adequate accounting and other records and compliance with statutory and regulatory obligations.
- 1.5 Approving any material extension of the Group's activities into new business or geographic areas and any decision to cease to operate all or any material part of the Group's business or geographic areas or make any material changes to the business.
- 1.6 Assessment and monitoring of the culture within the Group in order to ensure consistency with the Company's purpose and values in order to (among other things) comply with the requirements of the 2018 Corporate Governance Code.

**2. Structure and capital**

- 2.1 Approving changes to the Company's capital structure including any reduction of capital, share buy-backs (except under employees' share plans) and issue of shares or other securities.
- 2.2 Approving any issue of securities of a company in the Group to a person not a member of a Group, where such issue is material in the context of the Group.
- 2.3 Approving any proposed alteration to the articles of association of the Company.
- 2.4 Approving any changes to the Company's listing or the markets on which its securities are traded or the markets on which any Group company's securities may be listed.

- 2.5 Approving any major restructuring or reorganisation of the Group including any acquisitions or disposals which are material relative to the size of the Group.
- 2.6 Approving any major changes to the Group's management or control structures.
- 2.7 Approving any borrowings by the Group in excess of GBP 2,000,000 (excluding ordinary course drawdowns under the Group's term loan facility and working capital facilities).
- 2.8 Approving any termination, renewal or other changes to limits or terms of any material borrowing facility available to the Group from time to time.
- 2.9 Approving guarantees or indemnities given by the Group for amounts in excess of GBP 2,000,000.

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

- 3.1 Approving the half-yearly report, interim management statements and all announcements of financial or operational results.
- 3.2 Approving the annual report and accounts including the Corporate Governance Statement, Directors' Remuneration Report and s.172 Statement.
- 3.3 Approving the dividend policy, determination of any interim dividend and the recommendation (subject to the approval of shareholders in general meeting) of any final dividend to be paid by the Company or of any other distributions by the Company.
- 3.4 Approving any treasury policies including with respect to foreign exchange, hedging or use of financial derivatives.
- 3.5 Approving any material changes in accounting policies and practices.
- 3.6 Approving any expenditure not in the Group's approved business plan and beyond the delegated authority of the Chief Executive Officer.

### **4. Risk management and internal controls**

- 4.1 Ensuring the Group has effective systems of internal control and risk management in place, including approving the Group's risk appetite and related disclosure in the annual report along with its procedures for the detection of fraud and the prevention of bribery.
- 4.2 Undertaking an annual review of the Group's systems of control and risk management.
- 4.3 Making any major decision relating to the conduct (or settlement) of any material legal proceedings to which the Company or another member of the Group is a party where the potential liability or claim is in excess of GBP 2,000,000.

## **5. Contracts and expenditure**

- 5.1 Approving any major capital project, corporate action or investment by the Company or another member of the Group unless specifically included in the annual budget of the Group.
- 5.2 Approving any anticipated increases in expenditures on major capital projects, corporate actions or investments by the Company or another member of the Group, whether or not included in the annual budget of the Group, where such anticipated increased expenditures, individually or in the aggregate, is forecast to exceed the greater of 10% of the originally budgeted amount, or GBP 2,000,000.
- 5.3 Approving any contract entered into by the Company or any member of the Group in the ordinary course of business which:
  - (a) is material strategically or by reason of size; and/or
  - (b) exposes the Group to uncapped legal liability.
- 5.4 Approving any Class 1 or 2 transaction or related party transaction, as defined by the Listing Rules of the Financial Conduct Authority.
- 5.5 Approving any takeover offer for another company subject to the City Code on Takeovers and Mergers.
- 5.6 Making of a recommendation to accept any incoming takeover or merger offer.
- 5.7 Approving any joint ventures and arrangements with suppliers which in either case are material in the context of the Group as whole or which involve transactions with related parties.

## **6. Communications**

- 6.1 Convening general meetings of the Company and ensuring effective engagement with shareholders and other stakeholders, including employees, suppliers and customers.
- 6.2 Approving notices of general meetings of the Company and all related documents to be sent to shareholders.
- 6.3 Approving any prospectuses, circulars to holders of the Company's securities and recommendations in respect of any matters or notices which may be submitted to holders of the Company's securities in accordance with statutory requirements or requirements of the Financial Conduct Authority or London Stock Exchange or the Company's articles of association.
- 6.4 Approving press releases concerning matters decided by the Board.
- 6.5 Receiving reports from the Disclosure Committee on compliance with the Company's continuing disclosure obligations and the Market Abuse Regulation.

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

- 7.1 Changing the structure, size and composition of the Board.

- 7.2 Ensuring adequate succession planning for the Board and senior management of the Group so as to maintain an appropriate balance of skills, experience knowledge and diversity.
- 7.3 Making appointments to the Board.
- 7.4 Selecting and appointing the Chief Executive Officer and the Chairperson.
- 7.5 Appointing the Senior Independent Director, who will provide a sounding board for the Chairperson and serve as an intermediary for the other Directors when necessary.
- 7.6 Determining the membership and chairpersonship of Board Committees and approving any amendments thereto.
- 7.7 Making decisions about the continuation in office of a Director at the end of his or her term of office, when a Director should be re-elected by shareholders at the annual general meeting and otherwise as appropriate.
- 7.8 Making decisions about the continuation in office of a director at any time, including suspending or terminating the service of an Executive Director as an employee, subject to the law and his or her service contract.
- 7.9 Appointing, removing and fixing the remuneration of the Company Secretary.
- 7.10 Making recommendations to shareholders about the appointment, re-appointment or removal of the Group's external auditors.
- 7.11 Approval of additional external appointments of Directors and authorisation of conflicts of interest where permitted by the Company's articles of association.

## **8. Corporate governance matters**

- 8.1 Formally reviewing the performance of the Board and its Committees, individual Directors and the Group's overall corporate governance framework.
- 8.2 Determining whether a Director is independent.
- 8.3 Considering the balance of interests between shareholders, employees, customers and the community in decision-making, with each Director complying with their duties under section 172 of the Companies Act.
- 8.4 Establishing an effective method for gathering the views of the Company's workforce.
- 8.5 Oversight of the whistleblowing policy and ensuring individuals are encouraged to raise concerns as part of an ethical and supportive business culture.

## **9. Remuneration**

- 9.1 Determining and agreeing with the Remuneration Committee the policy for the remuneration of the Chairperson, Executive Directors and members of the senior management.
- 9.2 Introducing share incentive plans or making material changes to existing plans, to be put to shareholders for approval.

9.3 Determining the remuneration of Non-Executive Directors of the Company, subject to the articles of association of the Company.

**10. Delegated authority**

10.1 Establishing and determining the terms of reference of Board Committees and approving any amendments thereto and receiving reports and recommendations from its Committees.

10.2 Approving the limits of the authority to approve expenditure, investments and such other matters as the Board may determine, delegated to the Chief Executive Officer, Chief Financial Officer and other Directors and senior managers.

10.3 Approving the division of responsibilities between the Chairperson and the Chief Executive Officer, which should be clearly established and set out in writing, including any amendments to their responsibilities.

10.4 Approving the statement of responsibilities of the Senior Independent Director.

10.5 Granting powers of attorney to undertake actions for and on behalf of the Company which are outside the ordinary course of business.

**11. Other matters**

11.1 Approval and monitoring of all significant group policies including:

- (a) the securities dealing code
- (b) the whistleblowing policy
- (c) the environment and sustainability policy
- (d) the corporate social responsibility policy
- (e) the health and safety policy
- (f) the fraud policy
- (g) the anti-bribery and corruption policy
- (h) the gifts and hospitality policy
- (i) the conflicts of interest and transactions with related parties policy
- (j) the Group code of conduct
- (k) the market abuse, insider management and disclosure policy
- (l) the supplier due diligence policy
- (m) the combatting modern slavery policy
- (n) the diversity and inclusion policy
- (o) the charitable donations policy
- (p) the competition policy

11.2 Appointment of the Company's principal financial and professional advisers.

11.3 Approval of any proposal for prosecution, defence or settlement of litigation or other dispute resolution material to the interests and reputation of the Group.

11.4 Approving policies on the making of political donations (subject to shareholder approval in a general meeting) and charitable donations.

11.5 Material interaction with regulators, including during any investigations.

- 11.6 Approving the Group's levels of insurance, including directors' and officers' liability insurance.
- 11.7 Approving directors' indemnities.
- 11.8 Approving the introduction, or any material changes to the rules, or changes in the trustees, of any pension plan or scheme.
- 11.9 Approving any other matters which are reserved for decision by the Board in accordance with the requirements of applicable law, regulation or pursuant to accepted best practice or under the articles of association of the Company.
- 11.10 Any decision likely to have a material impact on the Company or the Group from any perspective, including financial, operational, strategic, regulatory or reputational.
- 11.11 Review of this schedule of matters reserved for the Board (at least annually) and approval of any changes to the schedule.

Approved by the Board of Directors on 21 July 2022