

# DOWLAIS

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**Dowlais Group plc**

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**Matters Reserved for the Board**

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**DOWLAIS GROUP PLC**

**MATTERS RESERVED FOR THE BOARD**

The board of directors (the “**Board**”) is responsible for the strategy and overseeing the performance of Dowlais Group Plc (the “**Company**”) and its direct and indirect subsidiaries (together with the Company, the “**Group**”). The Board has overall responsibility for the management of the Group, but delegates day to day management responsibility to the executive directors of the Company. There are, however, a number of matters which are required to be, or in the best interests of the Company should be, decided by the Board as a whole. These are known as Matters Reserved For The Board.

The current Matters Reserved For The Board are set out below and are grouped together into certain sections for the sake of convenience.

Any matter reserved to the Board may be delegated by a decision of the Board to any Board committee or any director. Matters which the Board has delegated to Board committees as a matter of general business are contained in the Terms of Reference of the Board Committees. However, where the Board does so delegate this shall not fetter the discretion of the Board to take any decisions in its own right. In any event, the Board has ultimate responsibility for all matters so delegated.

In the event that an urgent matter arises requiring the approval of the Board, which is outside the authority of the executive directors of the Company and which needs to be dealt with between normally scheduled Board meetings, the Company Secretary will circulate a paper with all relevant information and endeavour to convene a Board meeting by telephone or video conference and ensure that as many directors as possible participate.

This allows directors the opportunity to discuss the matter and ask questions. Any director who cannot attend will still be sent the relevant papers and have the opportunity to give their views to the Chairman, another director or the Company Secretary before the meeting. If the matter is routine and discussion is not necessary the approval of all the directors may be obtained by means of a written resolution, subject to the requirements of the Company's articles of association.

In all cases, however, the process followed will balance the need for urgency with the overriding principle that each director should be given as much information as possible, the time to consider it properly and has the opportunity to requisition an emergency meeting of the Board prior to the commitment of the Company.

<b>1.</b>	<b>GROUP STRATEGY &amp; MANAGEMENT</b>
1.1	Establishment of the Company's purpose, values and strategy.
1.2	Determining the basis on which the Group generates or preserves value over the longer term (the business model) and the strategy for delivering the objectives of the Group.
1.3	Approval of any change in the overall business strategy of the Group, including any decision to enter or exit any area of business which materially differs from the Group's current business operations or strategy.
1.4	Approval of strategic plans and strategic objectives, as proposed by the Chief Executive.
1.5	Approval or amendment of the Group's annual operating and capital expenditure budget.
1.6	Responding to shareholder activism or any Groupwide takeover or merger approach.

<b>2.</b>	<b>COMPANY STRUCTURE &amp; CAPITAL</b>
2.1	Changes relating to the Company's capital structure, including any reductions of capital, share issues (except under employee share plans), issues of securities conferring rights of subscription for or conversion into shares and share buybacks (including the use of treasury shares).
2.2	Any proposal to change any rights or restrictions attaching to shares in the capital of the Company.
2.3	Any changes related to the Company's listing or its status as a public limited company.
<b>3.</b>	<b>COMPANY GOVERNANCE &amp; DECISION MAKING</b>
3.1	Authorising any situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and the terms and conditions attaching to such authorisation.
3.2	The terms of reference and membership of Board committees.
3.3	Annual assessment of the Board's own performance, that of its committees, Chair and individual directors.
3.4	Delegation of the Board's powers, including formation of such additional committees as the Board may from time to time consider necessary and appropriate.
3.5	Approval of the written division of responsibilities of the Chair, Chief Executive and Senior Independent Director.
3.6	Approving the procedure for directors in the furtherance of their duties to take independent professional advice, at the Company's expense.
3.7	Any amendment to these Matters Reserved for the Board.
<b>4.</b>	<b>GROUP FINANCIAL REPORTING &amp; AUDIT</b>
4.1	Approval of preliminary announcements relating to the final results, half-yearly reports, trading updates and the Annual Report having taken into account recommendations from the Audit Committee.
4.2	Approval of the dividend policy, approval and declaration of the interim dividend and recommendation of the final dividend.
4.3	Approval of any significant change to the accounting policies and practices of the Group, or any change to the accounting reference date of the Company.
4.4	Recommending to shareholders the appointment or removal of external auditors following recommendation from the Audit Committee.
<b>5.</b>	<b>GROUP RISK MANAGEMENT</b>
5.1	Determining the nature and extent of the principal risks the Board is willing to take in order to achieve its long term strategic objectives and assessing the Group's emerging and principal risks. Reviewing the effectiveness of risk management and internal control systems on an ongoing basis.

5.2	Approval of the risk management and internal control policies for the Group, taking into account any recommendations of the Audit Committee.
5.3	Approval or amendment of the Group's insurance strategy.
<b>6.</b>	<b>LEGAL &amp; COMPLIANCE</b>
6.1	Approval of contracts involving a member of the Group in which a director or other related party is interested.
6.2	Settlement of any litigation, arbitration, regulatory or other proceedings which involves the payment of any sum in excess of £50 million.
6.3	Approval of any matter which could reasonably be expected to have a material effect on the reputation or standing of the Company or the Group.
6.4	Approval of the Company's code of conduct/ethics.
6.5	Approval or amendment of the Company's Related Party Transactions Policy.
6.6	Approval or amendment of the Company's Disclosure Policy.
6.7	Approval or amendment of the Company's Anti Bribery & Corruption Policy.
6.8	Approval or amendment of the Company's Data Protection Policy.
6.9	Approval or amendment of the Company's Whistleblowing Policy.
6.10	Approval or amendment of the Company's Anti-money Laundering Policy.
6.11	Approval or amendment of the Company's Securities Dealing Policy.
6.12	Approval or amendment of the Company's Anti-Facilitation of Tax Evasion Policy.
<b>7.</b>	<b>ENVIRONMENTAL, SOCIAL &amp; GOVERNANCE</b>
7.1	Approval or amendment of the Company's publicly stated ESG targets.
7.2	Approval or amendment of the Company's Human Rights Policy.
7.3	Approval or amendment of the Company's Anti-Slavery & Human Trafficking Policy.
7.4	Approval of the Company's annual Slavery and Human Trafficking Statement.
<b>8.</b>	<b>BUSINESS UNIT LEVEL MANAGEMENT &amp; TRANSACTIONS</b>
8.1	Establishment of any material manufacturing operations or facilities in a country in which the Group does not currently operate.
8.2	Approval of all unbudgeted capital expenditure in excess of £50 million.
8.3	Approval of any proposed acquisition or disposal by the Group of a business, shares in a company, controlling/non-controlling interests including investments in joint ventures, partnerships and similar arrangements, where the consideration for any such acquisition or disposal exceeds £50 million.

8.4	Any binding agreement to enter into a material strategic alliance, joint venture, partnership or profit sharing arrangement, which is material to the Group as a whole.
8.5	Entry by the Group into any customer contract with a forecast peak annual revenue of more than 20% of the Group's prior year annual revenues.
8.6	Any acquisition or disposal of interests in real property for consideration in excess of £50 million.
8.7	Any decision to commence a restructuring or redundancy process which would result in large scale employee redundancies or dismissals (of over 1,000 persons) at any single location or operation.
8.8	Approval of any single or connected charitable donation in excess of £250,000.
<b>9.</b>	<b>COMMUNICATION &amp; SHAREHOLDER ENGAGEMENT</b>
9.1	Calling general meetings of shareholders of the Company.
9.2	Approval of resolutions and related documentation to be put forward to shareholders of the Company at a general meeting.
9.3	Approval of all circulars, prospectuses and equivalent documents to be issued by the Company.
<b>10.</b>	<b>FINANCE, TREASURY &amp; TAX</b>
10.1	Any increase in Group borrowings beyond the borrowing limits previously approved by the Board.
10.2	Entry into or any material amendment of any debt facilities which comprise part of the Group's principal debt funding.
10.3	The issuance of any bonds or other debt securities other than short-term commercial paper or securities issued pursuant to an existing approved programme.
10.4	Approval of the making, increasing or extending of any loan or advance or grant of credit to any person (other than trade credit in the ordinary and usual course of trading and loans to other members of the Group) where that lending is material to the Group as a whole.
10.5	Any member of the Group giving security over assets with a value in excess of £50 million.
10.6	Approval or amendment of the Group's Treasury Policy.
10.7	Approval or amendment of the Group's Tax Policy.
<b>11.</b>	<b>BOARD MEMBERSHIP &amp; OTHER APPOINTMENTS</b>
11.1	Approving changes to the overall structure, size and composition of the Board.
11.2	Approval of the Nomination Committee's recommendations on Board appointments and removals.
11.3	Approval of the Nomination Committee's recommendations on Board and Executive Team succession plan.

11.4	Setting policy on Company boardroom diversity, including gender, social and ethnic backgrounds and monitoring its implementation.
11.5	Approval of any director's appointment as a director of another company or institution.
11.6	The appointment and removal of the Company Secretary.
11.7	Assessing which non-executive directors are independent.
<b>12.</b>	<b>REMUNERATION</b>
12.1	Setting remuneration of non-executive directors of the Company on the recommendation of the Chair of the Board and the Chief Executive Officer, subject to the Articles of Association and shareholder approval as appropriate (save that no individual shall be involved in any decisions as to their own remuneration).
12.2	Approval of the Remuneration Committee's recommendations on new share incentive plans or material changes to existing plans.
12.3	The establishment by the group of, or material changes to the terms of, any defined benefit pension scheme.
12.4	Any material changes in the funding commitments to any defined benefit pension scheme operated by the Group.