

HIGHCROFT

I N V E S T M E N T S P L C

Highcroft Investments PLC (the “company”)

Approved by the board 28 March 2022

[Note: With effect from 10 December 2021, the Company is an associated undertaking of Kingerlee Holdings Limited (‘KHL’). As a result, it is expected that KHL will engage with the Board as appropriate.]

1.	INTRODUCTION
1.1	The board of directors (the board) of Highcroft Investments plc (the Company) exercises all powers, authorities and discretions of the Company. Each of the board, the board committees, the Chief Executive and Finance Director perform their duties for the Company and its subsidiaries.
1.2	The matters reserved enable the board to concentrate its efforts on strategy, management, governance and control issues. It facilitates the routine business of the Company through appropriate committees and delegations to management. The board will receive reports and recommendations from time to time on any matter which is considered significant to the Company.
1.3	Resolutions by the board are passed by a majority of votes. Each member of the board has one vote.
1.	STRATEGY AND MANAGEMENT
1.1	Responsibility for the overall leadership of the Company and setting the Company’s vision, purpose and standards.
1.2	Approval of the Group’s strategic aims and objectives and commercial strategy with the aim of promoting long-term value for shareholders and stakeholders
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.
1.5	Review of performance in light of the Group’s strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
1.6	Approval of all property acquisitions and disposals and any changes or extension of the Group’s activities into new business areas, trades or assets which change the nature of, extend or create potential new liabilities for the Group, Company and its subsidiaries.
1.7	Any decision to cease or operate all or any material part of the Group’s business.
1.8	Approval of the Company’s actions and relevant policies relating to climate-related matters.
2.	STRUCTURE AND CAPITAL
2.1	Changes relating to the Group’s capital structure including reduction of capital, share issues, share buybacks including the use of treasury shares.
2.2	Major changes to the Group’s corporate structure, including the acquisition or disposal of any interest in the voting shares of any company which are material relative to the size of the Group.
2.3	Changes to the Group’s management and control structure.
2.4	Any changes to the Company’s listing or its status as a public limited company.
3.	FINANCIAL REPORTING AND CONTROLS
3.1	Approval of interim and final financial statements.

3.2	Approval of adopting the going concern basis for the financial accounts.
3.3	Approval of preliminary announcements of interim and final results (subject to delegating final approval post audit sign-off to a sub-committee of the Board.)
3.4	Approval of the annual report and accounts, including the corporate governance statement and remuneration report (subject to delegating final approval post audit sign off to a sub-committee of the Board.)
3.5	Approval of the dividend policy and declaration of dividends.
3.6	Approval of any significant changes in accounting policies or practices.
4.	INTERNAL CONTROLS AND RISK MANAGEMENT
4.1	Ensuring maintenance of a sound system of internal control and risk management 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 determining the nature and extent of the risk the Group is prepared to take in achieving its strategic objectives, following advice from the Audit Committee, and approve the company/group's risk appetite statements;
	4.1.4 Approving any procedures for the detection of fraud and prevention of bribery;
	4.1.5 Approving the assessment of viability over a specified period.
5.	LOANS AND BANK FACILITIES
5.1	Approval of loans and bank facilities.
5.2	Approval of treasury policies and regular review of entry into bank facilities.
6.	CONTRACTS
6.1	Approval of contracts of the Company or any subsidiary, for development purposes or appointment of external advisers with an annual or total contract value above £30K.
6.2	Contracts which are material strategically or by reason of size or potential liabilities created, entered into by the Company or any subsidiary in the ordinary course of business, for example contracts for the provision of services or outcomes.
6.3	Approval of guarantees, indemnities and giving of security outside the normal course of business.
7.	COMMUNICATION
7.1	Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.
7.2	Approval of resolutions and corresponding documentation to be forward to shareholders at a general meeting.
7.3	Approval of all circulars and listing particulars (approval of routine documents such as periodic circulars about dividends may be delegated to a committee).
7.4	Approval of press released concerning matters decided by the Board.
7.5	Oversight of the Group's engagement with other stakeholders including the Group's employees, customers, partners, suppliers and regulatory authorities.
8.	BOARD MEMBERSHIP AND OTHER APPOINTMENTS
	Overseeing the nomination committee which leads the process for board appointments, ensures plans are in place for orderly succession to the board and senior management positions and oversees the development of a diverse pipeline for succession.
8.1	Changes to the structure, size and composition of the Board following recommendations from the Nominations Committee.
8.2	Ensuring adequate succession planning for the Board so as to maintain an appropriate balance of skills and experience within the Company and on the Board.
8.3	Appointments to the Board.
8.4	Selection of the Chair of the Board and the Chief Executive.

8.5	Appointment of the Senior Independent Director to provide a sounding board for the chair and to serve as intermediary for the other directors as necessary.
8.6	Membership and Chairs of Board committees.
8.7	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.
8.8	Continuation in office of any director at any time, including the suspension of termination of service of an executive director as an employee of the Company, subject to the law and their service contract.
8.9	Appointment or removal of the Company Secretary.
8.10	Appointment, re-appointment or removal of the external auditor to be put to shareholder for approval, following the recommendation of the audit committee, as well as approval of fees for the external auditor for both audit and non-audit services.
8.11	Appointments to board of subsidiaries.
9.	REMUNERATION
9.1	Determining the group's remuneration policy for executive directors, and its costs in the light of recommendations made by the Remuneration Committee.
9.2	Determining the remuneration of the non-executive directors, following recommendations made by the Remuneration Committee, and subject to the Articles of Association and shareholder approval as appropriate.
9.3	The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.
10.	DELEGATION OF AUTHORITY
10.1	Approval of the delegated levels of authority for the Chief Executive and Finance Director.
10.2	Approval of Terms of Reference of Board Committees
10.3	Receiving reports from Board committees on their activities.
11.	CORPORATE GOVERNANCE MATTERS
11.1	Undertaking a formal and rigorous annual review of its own performance, that of its committees and individual directors.
11.2	Reviewing the group's overall corporate governance arrangements.
11.3	Receiving reports on the views of the company's stakeholders to ensure they are communicated to the Board as a whole.
12.	OTHER
12.1	Approval of the Group's principal professional advisers.
12.2	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.