

## **AGGREKO Plc**

### **MATTERS RESERVED FOR THE BOARD**

#### **1. Strategy and Management**

- 1.1 Responsibility for the overall management of the Group.
- 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:
  - competent and prudent management
  - sound planning
  - an adequate system of internal control
  - adequate accounting and other records
  - compliance with statutory and regulatory obligations.
- 1.5 Review performance in light of the Group's strategy, objectives, business plans and budgets.
- 1.6 Extension of the Group's activities into new types of business.
- 1.7 Any decision to cease to operate all or any material part of the Group's business.
- 1.8 Responsibility for determining the nature and extent of the significant risks the Company is willing to take to achieve its strategic objectives

#### **2. Structure and Capital**

- 2.1 Changes relating to the Group's capital structure including reduction of capital, share issues (except under employee share plans) and share buy backs<sup>2</sup>.
- 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 its status as a plc.

#### **3. Financial Reporting and Controls**

- 3.1 Approval of the half-yearly report, interim management statements, pre-close trading updates and any preliminary announcement of the final results<sup>5</sup>.
- 3.2 Approval of the annual report and accounts, including the corporate governance statement and remuneration report<sup>5</sup>.

- 3.3 Review the content of the annual report and accounts to assess whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy<sup>3</sup>.
- 3.4 Approval of the dividend policy.
- 3.5 Declaration of the interim dividend and recommendation of the final dividend<sup>5</sup>.
- 3.6 Approval of any significant changes in accounting policies or practices.
- 3.7 Approval of treasury policies including foreign currency exposure, the use of financial derivatives and segregation of duties.
- 3.8 Post investment reviews.

#### **4. Internal Controls**

- 4.1 Ensuring maintenance of a sound system of internal control and risk management including:
  - receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives
  - undertaking an annual assessment of these processes
  - approving an appropriate statement for inclusion in the annual report.

#### **5. Contracts**

- 5.1 Major capital projects.
- 5.2 Contracts which are material strategically or by reason of size, entered into by the company or any subsidiary in not in the ordinary course of business.<sup>1</sup>
- 5.3 Financing arrangements, for example loans and repayments, guarantees, foreign currency transactions and derivative arrangements.<sup>2</sup>

#### **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.

#### **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.

- 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 Officer.
- 7.5 Appointment of the Senior Independent Director.
- 7.6 Membership and chairmanship of board committees.
- 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 Appointment or removal of the Company Secretary.
- 7.9 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Audit Committee.

## **8. Remuneration**

- 8.1 Determining the remuneration of the Non-executive Directors, subject to the articles of association and shareholder approval as appropriate.
- 8.2 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 The division of responsibilities between the Chairman and the Chief Executive Officer.
- 9.2 Approval of terms of reference of board committees.
- 9.3 Approval of the group's Delegation of Authority Limits and Rules.
- 9.4 The appointment of ad hoc committees with authority over any of the matters reserved for the board.

## **10. Corporate Governance Matters**

- 10.1 Undertaking a formal and rigorous review (annually) of its own performance, that of its committees.
- 10.2 Determining the independence of directors.
- 10.3 Review of the Group's overall corporate governance arrangements.
- 10.4 Receiving reports on the views of the company's shareholders.

## **11. Policies**

11.1 Approval of the following policies:

- Ethics Policy<sup>4</sup>
- Share Dealing Code<sup>5</sup>
- Health, Safety and Environment Policy (including annual targets)

## **12. Other**

12.1 The making of political donations.

12.2 Prosecution, defence or settlement of litigation material in the context of the Group.

12.3 Approval of the overall levels of insurance for the Group including directors' & officers' liability insurance and indemnification of directors.

12.4 Major changes to the rules of the Group's pension scheme, or change of trustees.

12.5 This schedule of matters reserved for board decisions.

Note:

<sup>1</sup> Subject to the Delegation of Authority Limits

<sup>2</sup> Subject to the Terms of Reference of the Finance Committee

<sup>3</sup> Subject to Audit Committee review of the fair, balanced and understandable process

<sup>4</sup> Delegated to the Ethics Committee

<sup>5</sup> Subject to the Terms of Reference of the Disclosure Committee

*Adopted by resolution of the Board on 16 October 2014*