

## **CALEDONIA INVESTMENTS PLC**

### **Responsibilities of the Board**

The Board has a formal schedule of matters specifically reserved to it for decision as follows:

#### **Financial reporting**

- Approval of the half-year results and full year results of the Company;
- Approval of the Company's dividend policy;
- Declaration of any interim dividend and recommendation of any final dividend;
- Approval of the annual report and accounts of the Company and of any interim statement advertised or issued to shareholders of the Company, including any significant changes in accounting policy or practice;
- Approval of the appointment, re-appointment and removal of the external auditor.

#### **Listing and regulatory matters**

- Approval of prospectuses and listing particulars, and other circulars to shareholders;
- Approval of resolutions and associated documentation to be put to shareholders at general meetings;
- Approval of dealing procedures for Persons Discharging Managerial Responsibilities and their connected persons pursuant to the Financial Conduct Authority's Listing Rules and Disclosure Guidance and Transparency Rules and the EU Market Abuse Regulation.

#### **Board membership and Board committees**

- Appointment and removal of Directors of the Company in the circumstances prescribed by the articles;
- Appointment of any Director as Chairman or Deputy Chairman of the Board or Senior Independent Director and the termination of such appointments;
- Appointments to and removal from certain executive positions within the Company, being the positions of Chief Executive, Chief Financial Officer and Executive Director;
- Approval of the membership and terms of reference of Board Committees;
- Approval of the division of responsibilities between the Chairman, the Senior Independent Director and the Chief Executive;
- Authorisation of Directors' conflicts of interest in accordance with the Company's Articles of Association;

- Appointment and removal of the Company Secretary.

### **Strategy and management**

- Responsibility for the Company's overall strategy and values, culture and governance;
- Approval of the annual budget;
- Approval of, and of significant changes to, the Company's system of internal control and risk management, including procedures for the detection of fraud and prevention of bribery;
- Approval and monitoring of the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in its financial reporting and other matters, ensuring that they allow proportionate and independent investigation of such matters and appropriate follow up action;
- Approval of treasury risk management policies;
- Within the policy approved by shareholders, approval of the framework of executive directors' remuneration;
- Approval of the remuneration and terms of appointment of non-executive directors of the Company, the Company Secretary and other senior management;
- Matters for agendas for any general meetings of the Company.

### **Capital transactions**

- Approval of any individual item or series of linked transactions that would or might commit the Company or any of its consolidated subsidiary undertakings to capital spending or liability of £20m or more (or any follow-on investment where the market value of the investment is £20m or more but excluding purchases for the Income pool within overall limits for the pool agreed by the Board), although, where practicable, approval will be sought for any such spending in excess of £10m or more; or
- Approval of any individual item or series of linked transactions that would or might result in the disposal or realisation of any investment or asset with a value of £20m or more.

### **Structure and capital**

- Approval of any increase/reduction in the issued share capital of the Company within the limits approved by shareholders;
- The issue or repayment of debt securities or any other borrowings, other than in accordance with an approved treasury risk management policy, by the Company or any consolidated subsidiary undertaking of the Company, in excess of £10m;

- Approval of any changes to the Company's listing or its status as a plc.

#### **Employee share and pensions schemes**

- Approval of major changes in employee share and pension schemes;
- Appointment and removal of trustees of the Caledonia Pension Scheme (subject to the requirements of the Pensions Act 2004 and the Occupational Pensions Schemes (Member-nominated Trustees and Directors) Regulations 2006).

#### **Donations**

- Approval of any donation to a political party, either in the UK or overseas, within the limits approved by shareholders;
- Approval of the Company's budget for charitable donations for each financial year.

March 2019