

# Matters Reserved for the Board

Matters which the Board considers suitable for delegation are contained in the terms of reference of its committees. In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.

## 1. Strategy and Management

- 1.1 Responsibility for the overall management Stock Spirits Group PLC (the “**Company**”) and its subsidiary undertakings (the “**Group**”), including the Group’s values and standards.
- 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:
  - a) competent and prudent management;
  - b) sound planning;
  - c) an adequate system of internal control;
  - d) adequate accounting and other records; and
  - e) compliance with statutory and regulatory obligations.
- 1.5 Review performance in light of the Group’s strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 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.
- 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 public limited company.

## 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.\*
- 3.2 Approval of the annual report and accounts, including the corporate governance statement and remuneration report.\*
- 3.3 Approval of the dividend policy.\*
- 3.4 Declaration of the interim dividend and recommendation of the final dividend.\*
- 3.5 Approval of any significant changes in accounting policies or practices.\*
- 3.6 Approval of treasury policies including foreign currency exposure, the use of financial derivatives and segregation of duties.
- 3.7 Approval of tax policies and strategy.
- 3.8 Post investment reviews.

## **4. Internal Controls**

4.1 Ensuring maintenance of a sound system of internal control and risk management including:

- a) receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives;
- b) approving procedures for the detection of fraud and prevention of bribery;
- c) undertaking an annual assessment of these processes; and
- d) approving an appropriate statement for inclusion in the annual report.

## **5. Contracts**

5.1 Approval of major capital projects.

5.2 Contracts which are material strategically or by reason of size, entered into by the Company or any subsidiary not in the ordinary course of business.

5.3 Financing arrangements, for example loans and repayments, guarantees, foreign currency transactions and derivative arrangements (in each case, above such value as the Board shall in its own discretion determine from time to time).

5.4 Major investments, including the acquisition or disposal of interests of more than 5 per cent. in the voting shares of any company.

## **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.\*

6.3 Approval of press releases concerning matters decided by the Board.\*

## **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.\*

7.5 Appointment of the Senior Independent Director.\*

7.6 Membership and chairmanship of Board committees following recommendations from the Nomination Committee.\*

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 Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the law and their service contract.\*

7.9 Appointment or removal of the Company Secretary.\*

7.10 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Audit Committee.\*

7.11 Appointments to boards of subsidiaries.

## **8. Remuneration**

8.1 Determining the remuneration policy for the directors, Company Secretary and other senior executives.\*

8.2 Determining the remuneration of the Non-executive Directors, subject to the articles of association and shareholder approval as appropriate.

8.3 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 which should be clearly established, set out in writing and agreed by the Board.\*

9.2 Establishing Board committees and approving their terms of reference and material changes thereto.\*

9.3 Approval of the Group's delegated levels of authority.

9.4 Receiving reports and recommendations from Board committees on their activities.\*

## **10. Corporate Governance Matters**

10.1 Undertaking a formal and rigorous review (annually) of its own performance, that of its committees and individual directors, and the division of responsibilities.\*

10.2 Determining the independence of directors.\*

10.3 Considering the balance of interests between shareholders, employees, customers and the community.\*

10.4 Review of the Group's overall corporate governance arrangements.

10.5 Receiving reports on the views of the Company's shareholders.\*

10.6 Authorising conflicts of interest where permitted by the Company's articles of association.

## **11. Policies**

11.1 Approval of policies, including:

- Share Dealing Code
- Code of Business Conduct and Ethics and Anti-Corruption Procedure

## **12. Other**

12.1 The making of political donations.

12.2 Prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism that is 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 any Group pension scheme, or change of trustees or when this is subject to approval of the Company, changes in the fund management arrangements.

12.5 Review of this schedule of matters reserved for Board decisions.

**Note:**

\* Not considered suitable for delegation to a committee of the Board and therefore subject to the Group's delegated levels of authority

*Adopted by resolution of the Board on 21 October 2013*