

Brooks Macdonald Group plc (the 'Group')

Matters Reserved for the Group Board

Review and Approval Schedule

Approval date: 11 September 2023

Approved by: Group Board

Date of Next Review: June 2024

Matters Reserved for the approval of BM Group Board

1. Introduction

Ultimate responsibility and accountability for the oversight and management of Brooks Macdonald Group ("BMG") resides with the Group Board. The Board of directors can devolve authority to a committee or individual but is still ultimately accountable for effective discharge of that responsibility. The delegate becomes accountable to the Board for the performance of the tasks assigned to them.

In order to ensure effective operation of the business, authority for management and oversight of business operations needs to be clearly delegated throughout the organisation. This will also enable effective and efficient decision making to take place at all levels together with appropriate escalation.

The BMG 'delegation framework' is the collective description of delegation documents for BMG and its subsidiaries, and comprises:

- A list of matters reserved for the BMG Board and for Subsidiary Boards;
- Terms of reference for BMG Board committees, and
- A 'schedule of delegations' which documents key matters delegated to the CEO, or other specific function heads where relevant.
- CEO Delegated Matrix, setting out the delegation of responsibilities from the CEO to senior management members.

The key principle underlying the delegation framework is that the flow of delegation originates from the BMG Board to the Chief Executive Officer ("CEO") who in turn has express authority to delegate certain matters to BMG Executive Committee members or to specific management function heads for regulated roles as appropriate.

This document sets out the matters which are reserved for the Group Board, including matters carried out on behalf of the Board by Board Committees, and should be considered in conjunction with the appropriate Board Committee Terms of Reference.

The decisions reserved for the Group Board include the following:

2. Strategy and Management

- 2.1 Responsibility for the overall leadership of the Group and setting the Group's values and standards.
- 2.2 Approval of the Group's strategic aims and objectives.
- 2.3 Approvals of the annual five-year Medium Term Plan (financial forecast) and one year plan, together with any material re-forecasting / changes.
- 2.4 Review of business performance in the light of the Group's strategic aims, objectives and financial plans, including oversight assurance that any necessary corrective action is taken.
- 2.5 Extension of the Group's activities into material new services, products, instruments, jurisdictions, or any material changes to the pricing structure. 'Material' to be determined by the CEO in the first instance, but will include any new development that is categorised as 'high risk' in accordance with the product risk rating, or any material change which moves an existing proposition into the high risk category.
- 2.6 Any decision to cease to operate all or any material part of the Group's business, except as part of an agreed strategic initiative. The CEO is authorised to approve decisions in respect of individual funds, products and services.

Matters Reserved for the approval of BM Group Board

- 2.7 Advance approval of unbudgeted capital or operating expenditure commitments in excess of £500k (in total, or per annum in respect of recurring operating expenditure).

3. Structure and Capital

- 3.1 Changes relating to the Group's capital structure including reduction of capital, issue of new share capital and share splits or buy backs.
- 3.2 Changes to the Group's corporate structure, other than the dissolution of non-trading entities.
- 3.3 Changes involving the creation, liquidation and merger of active trading entities, together with business acquisitions, mergers and disposals.
- 3.4 Approval of the Group's Internal Capital Adequacy Assessment (ICAAP).
- 3.5 Oversight and approval of management actions in respect of any material actual or projected variances of the Group's capital or liquidity position against the agreed appetite or limits.
- 3.6 Any changes to the company's listing or its status as plc.
- 3.7 Proposals to obtain or provide medium / long term funding from / to external third parties.

4. Communication and Culture

The Board is responsible for:

- 4.1 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.
- 4.2 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 4.3 Approval of all prospectuses, circulars and listing particulars.
- 4.4 Setting the tone for appropriate culture and behaviours across the Group.
- 4.5 Annual approval of the 'Modern Slavery Statement'

5. Risk, Compliance and Internal Control

The Board is responsible for ensuring that BMG maintains effective systems of risk management, compliance and internal controls. It has delegated responsibility for on-going oversight and monitoring of the effectiveness of the Group internal control systems to the Risk and Compliance Committee (RCC), which has the responsibility to report matters to the Board at regular intervals or when the Chair of the Committee considers appropriate (as set out in the RCC Terms of Reference). The Board is specifically responsible, acting on recommendations from the RCC where appropriate, for:

- 5.1 Approval of the Group's risk appetite statements.
- 5.2 Approval of appropriate policies to meet statutory and regulatory requirements.
- 5.3 Receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives.

Matters Reserved for the approval of BM Group Board

- 5.4 Promoting an environment where management and staff can report without fear, control breaches, suspicions of fraud, theft, malpractice and any near misses, while guaranteeing anonymity when requested.
- 5.5 Approving an appropriate statement for inclusion in the annual report

6. Financial Reporting and Controls

Provision of support to the Board in meeting its responsibilities regarding reviewing and challenging the consistency of the Group's accounting policies and standards and the integrity of the financial statements has been delegated to the Audit Committee, including the policy on the supply of non-audit services by the external auditor (as set out in the Audit Committee Terms of Reference). The Board remains responsible for approving the following, on recommendation from the Audit Committee as appropriate:

- 6.1 Approval of the half-yearly report and any preliminary announcement of the final results, including Funds under Management quarterly announcements.
- 6.2 Approval of the annual report and accounts, including the corporate governance statement and directors' remuneration report.
- 6.3 The Board will receive copies of analyst presentations for information.

The Board is also responsible for:

- 6.4 Approval of the dividend policy.
- 6.5 Declaration of the interim dividend and recommendation of the final dividend.
- 6.6 Approval of the Accounting and tax risk policy

The Board is also responsible for the appointment, reappointment or removal of the external auditor, to be put to shareholders for approval in general meeting.

7. Remuneration

Responsibility for assisting the Board in meeting its responsibilities regarding the determination, implementation and operation of the overall remuneration policy for the Group has been delegated to the Remuneration Committee ('RemCo'), as set out in the RemCo Terms of Reference.

The Board remains responsible for final approval of the remuneration policy, on recommendation from RemCo, together with approval of the remuneration of non-executive directors and of any Long Term Incentive Plans (LTIP).

8. Composition, Succession & Evaluation

Responsibility for assisting the Board in meeting its responsibilities in respect of monitoring the balance of skills, knowledge, experience and diversity on the Board; recommending Board and Board Committee appointments and monitoring succession planning at the senior management level has been delegated to the Nominations Committee ('NomCo') as set out in the NomCo Terms of Reference. The Board remains responsible for final approval of the following, on recommendation from NomCo as appropriate:

- 8.1 Changes to the structure, size and composition of the Board.

Matters Reserved for the approval of BM Group Board

- 8.2 Appointment or removal of the company secretary.
- 8.3 Approving material changes to the structure, size and composition of the Subsidiary Boards.

9. Delegation of Authority

- 9.1 The Board is responsible for establishing Board Committees and approving their terms of reference, together with any material changes thereto.
- 9.2 The Board is responsible for receiving reports from Board Committees on their activities.
- 9.3 The Board is responsible for approving and periodically reviewing delegated authority limits for the CEO, as set out in the 'schedule of delegations'. In principle the CEO is authorised to carry out any expenditure or activity as approved by the Board in the Group Strategy, budget and forecast for the year, subject to specific limits as set out in the 'Schedule of Delegations', above which the Board requires matters to be referred for approval prior to commitment or execution.

The CEO is accountable for providing the Board with sufficient information to enable effective discharge of the Board's responsibilities for oversight and management of the authorities delegated to the CEO.

10. Corporate Governance Matters

The Board is responsible for:

- 10.1 Undertaking a formal and rigorous annual review of its own performance; that of its committees and individual directors, and of the division of responsibilities.
- 10.2 Determining the independence of Non-Executive Directors in light of their character, judgment and relationships.
- 10.3 Considering the balance of interests between shareholders, employees, customers and the community.
- 10.4 Review of the Group's overall corporate governance framework and principles, including the 'Matters reserved for the Board' and 'Schedule of delegated authorities'.
- 10.5 Receiving reports on the views of the company's shareholders to ensure that they are communicated to the board as a whole.
- 10.6 Authorising conflicts of interest where permitted by the Company's Articles of Association.
- 10.7 Addressing any matters referred to the Board by the Committees.
- 10.8 Exercising oversight of the effectiveness of the Board Committees.

11. Regulatory considerations

The Board must give due consideration to the requirements of all relevant laws and regulations, including the UK Corporate Governance Code, together with any relevant developments or implementation of new requirements as advised by the Company Secretariat.

12. Other matters

Matters Reserved for the approval of BM Group Board

The Board is also responsible for:

- 12.1 Approval of political donations and material commercial sponsorship arrangements.
- 12.2 Approval of the overall levels of insurance for the Group including directors' & officers' liability insurance.
- 12.3 Ensuring the appropriateness of the training for Non-Executive Directors
- 12.4 Any decision likely to have a material impact on the Company or Group, including, but not limited to, financial, operational, strategic or reputational.
- 12.5 The Board should be advised and kept updated on any potentially material (above £150k) prosecution, commencement, defence or settlement of any litigation whenever such a legal matter is identified.

13. Minutes of meetings

- 13.1 The Secretary shall record the proceedings, decisions and actions arising from the Board meetings, including the names of those present.
- 13.2 Draft minutes shall be circulated to all Members (and attendees if appropriate), considering any conflicts of interest. Once approved, final signed copies of the minutes will be maintained for the Company's records.

14. Version Control

Version	Date Created	Created By	Date Approved	Reason for Change
V0.1	13 December 2017	EY	-	Standard template wording for Matters Reserved for the Board
V1.0	23 MAY 2018	E Fricker	23 MAY 2018	Incorporating final feedback from Group Board
V1.1 / 2	5 APRIL 2019	E Fricker		Annual review
V 1.3	25 JUNE 2019	E Fricker		Minor changes resulting from Board review
V2.0	25 JUNE 2019	E Fricker	4 JUNE 2019	Approved by Board, subject to minor changes incorporated above
V3.0	JUNE 2020	S Davis		Review of content to ensure ongoing suitability
V4.0	JUNE 2021	P Naylor		Annual review
V5.0	JUNE 2022	P Naylor		Annual review
V6.0	JUNE 2023	P Naylor		Annual Review