

## GENUS PLC

### MATTERS RESERVED FOR THE BOARD

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#### 1. Strategy and Management

##### 1.1 Responsibility for:

- the overall leadership of the Group and setting the Group's values and standards; and
- delegating the overall management of the Group.

##### 1.2 Approval of the Group's strategic aims and objectives.

##### 1.3 Approval of the Group's annual budgets and any material changes to them.

##### 1.4 Oversight of the Group's operations ensuring:

- competent and prudent management
- sound planning
- maintenance of sound management and internal control systems
- levels of management empowerment
- adequate accounting and other records
- compliance with statutory and regulatory obligations.

##### 1.5 Review of performance in the light of the Group's strategic aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.

##### 1.6 Material extension of the Group's activities into new business or geographic areas, including acquisitions.

##### 1.7 Any decision to cease to operate any material part or segment of the Group's business.

## **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), share buy backs (including the use of treasury shares).
- 2.2 Material changes to the Group's corporate structure.
- 2.3 Material changes to the Group's management and control structure.
- 2.4 Any changes to the Company's listing or its status as a plc.
- 2.5 Approval of Group banking facilities and approval of the giving of security over Company assets in excess of £1m other than in the ordinary course of business.

## **3. Financial reporting and controls**

- 3.1 Approval of preliminary announcements of interim and final results and approval of interim management statements.
- 3.2 Approval of the annual report and accounts.
- 3.3 Approval of the dividend policy.
- 3.4 Declaration of any 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 and tax policies, including interest rate, foreign currency exposure and the use of financial derivatives.

## **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 Approval of capital expenditure projects above £1M in value.
- 5.2 Contracts that are entered into by a Group company that differ to the Group's standard terms and are above £1M in value over the duration of the contract are to be approved by a Committee of the Board comprising any two of the Chairman, Chief Executive and the Group Finance Director. Any contract to be entered into that differs from the Group's standard terms and is above £3M in value over the duration of the contract is to be approved by the Board.
- 5.3 Contracts that are entered into by a Group company on the Group's standard terms and are above £1m in value over the duration of the contract and contain non-standard commercial terms are to be approved by a Committee of the Board comprising any two of the Chairman, Chief Executive and the Group Finance Director who may refer the agreement to the Board for approval.

## **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 and listing particulars.
- 6.3 Approval of press releases concerning matters decided by the board.
- 6.4 All London Stock Exchange notifications other than for routine matters.

## **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.
- 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.

## **8. Remuneration**

- 8.1 Determining the remuneration policy for the Directors and other senior executives following recommendations from the Remuneration Committee.
- 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, following recommendations of the Remuneration Committee.

## **9. Delegation of Authority**

- 9.1 The division of responsibilities between the Chairman and the Chief Executive should be in writing.
- 9.2 Approval of the delegated levels of authority.
- 9.3 Establishing an Audit, Remuneration, Nomination, Science and other Board Committees and approving their terms of reference.

## **10. Corporate governance matters**

- 10.1 Undertaking a formal and rigorous annual review of its own performance, and that of its committees and individual Directors.
- 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 to ensure that they are communicated to the Board as a whole.

## **11. Policies**

- 11.1 Approval of policies and codes of conduct, including the share dealing code and procedures for the release of price sensitive information, bribery and anti-corruption and whistleblowing policies, corporate social responsibility policy and charitable donations policy.

## **12. Other**

- 12.1 The making of political donations.
- 12.2 Initiation of any litigation that is material to the interests of the Group.
- 12.3 Approval of the overall levels of insurance for the Group.
- 12.4 All matters relating to the Group's pension schemes that are material to the interests of the Group.

Adopted by the Board on 14<sup>th</sup> September 2006 and amended by the Board on 2<sup>nd</sup> September 2010 and 2 September 2014.