

River and Mercantile Group PLC (The "**Company**")

Schedule of matters reserved for decision by the Board
(Adopted by the Board on 22 August 2019)

The Board of the Company has responsibility for the leadership of the River and Mercantile Group of companies (the "**Group**") and for setting its purpose, culture, values and standards.

The Board delegates all decision making on and management of the business to the Chief Executive Officer with the exception of the following matters which are either (i) reserved for approval by the Board or (ii) the subject of a delegation to a committee of the Board.

The Chief Executive Officer is responsible for developing the appropriate business strategy and, once approved by the Board, for ensuring that the strategy is effectively monitored and executed in accordance with both the approved financial and operating plan and within a sound system of internal control and risk management.

The following matters are specifically reserved for approval by the Board. This Schedule is not, however, exclusive and does not derogate from (a) the Board's overall duties and responsibilities as a matter of law or (b) the Board's right to require any matter (irrespective of whether it has been delegated or not) that it considers relevant be brought to the Board for decision and/or information purposes.

Matters reserved for the Board		Statutory & Legislative References
1.	Strategy and Management	
1.1.	Responsibility for the overall leadership of the Company and setting the Company's values and standards, acting with integrity, leading by example and promoting the desired culture.	Principle B (UKCGC)
1.2.	Approval of the Group's strategic aims and objectives, as proposed by the Chief Executive Officer.	
1.3.	Review and approval of the annual operating and capital expenditure budgets and any material changes to them.	
1.4.	Oversight of the Group's operations ensuring: <ul style="list-style-type: none"> • competent and prudent management; • sound planning; • maintenance of sound management and internal control systems; • adequate accounting and other records; • the sustainability of the Company's business model; and • 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.	Extension of the Group's activities into significant new business or geographic areas.	
1.7.	Any decision to cease to operate all or any material part of the Group's business.	
2.	Structure and Capital	

2.1.	Major changes relating to the Group's capital structure including reduction of capital, share issues (except under employee share plans) and share buy backs or the use of treasury shares (if any).	
2.2.	Major changes to the Group's corporate structure, including, but not limited to acquisitions and disposals of shares which are material relative to the size of the Group (taking into account initial and deferred consideration).	
2.3.	Changes to the Group's management and control structure.	
2.4.	Any changes to the Company's domicile, listing or its status as a plc.	
3.	Financial Reporting and Controls	
3.1.	*Approval of the half-yearly report, interim management statements and any preliminary announcements of final results and any other formal announcement relating to the financial results and performance of the Company.	DTR 4.1 to 4.4
3.2.	*Approval of the Company's annual report and accounts, including the corporate governance statement and directors' remuneration report.	CA 2006 s.414 and s.415 DTR 5 LR 9.8
3.3.	*Approval of the dividend policy.	
3.4.	*Declaration of any interim, full year and/or special dividend and recommendation of the final dividend.	DTR 6.1.13 LR 9.7
3.5.	*Approval of any significant changes in accounting policies or practices.	
3.6.	Approval of treasury policies (and material changes thereto) including foreign currency exposure and the use of financial derivatives.	
3.7.	Approval of material unbudgeted capital or operating expenditures (outside pre-determined tolerances).	
3.8.	*Appointment, reappointment or removal of the external auditor prior to being put to shareholders for approval, following the recommendation of the Audit Committee.	Principle M (UKCGC)
4.	Internal Controls	
4.1.	Ensuring maintenance of a sound system of internal control and risk management including: <ul style="list-style-type: none"> • approving the Company/Group's risk appetite statements; • receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives; • approving procedures for the detection of financial crime, fraud and the prevention of bribery; • undertaking an annual assessment of these processes; and • approving an appropriate statement for inclusion in the annual report. 	Principle C and Principle O (UKCGC) UK Bribery Act 2010
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, in the case of a subsidiary, recommendations for approval in the ordinary course of business, for example bank borrowings above £5 million and acquisitions or disposals of fixed assets (including intangible assets such as intellectual property) above £5 million.	
5.3.	Contracts of the Company or any subsidiary not in the ordinary course of business, for example loans and repayments above £5 million; foreign currency transactions above £2 million; major acquisitions or disposals above £1 million or £2 million (where the acquisition or disposal involves contingent consideration).	
5.4.	Major investments including the acquisition or disposal of interests of more than three per cent in the voting shares of any company or the making of any takeover offer.	DTR 5
5.5.	Transactions with directors and other related parties.	
6.	Communication	
6.1.	Ensuring effective engagement with shareholders and stakeholders based on the mutual understanding of objectives and encourage the participation from these parties.	
6.2.	Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.	LR 13 PR 5.5
6.3.	*Approval of all circulars and prospectuses and listing particulars.	
6.4.	*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.	Principle J (UKCGC)
7.2.	*Appointments to and removals from the Board, following recommendations by the Nomination Committee.	
7.3.	*Selection of the chairman of the Board and the Chief Executive Officer.	
7.4.	*Appointment of the senior independent director to provide a sounding board for the chairman and to serve as intermediary for the other directors when necessary.	
7.5.	*Membership and chairmanship of Board committees normally following recommendations from the Nomination Committee.	
7.6.	*Appointment or removal of the Company Secretary.	CA 2006 s.270 to s.280
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.	CA 2006 s.489 and s.491
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.	*Ensuring adequate succession planning for the Board and senior management so as to maintain an appropriate balance of skills and experience within the Company and on the Board.	Principle J (UKCGC)

8.	Remuneration	
8.1.	*Determining the remuneration policy for the Company following recommendations from the Remuneration Committee.	Principle Q (UKCGC)
8.2.	Determining the remuneration of the non-executive directors (including the Chairman), 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 which require shareholders' approval.	
9.	Delegation of Authority	
9.1.	*Approval of a written statement setting out the division of responsibilities between the Chairman, the Chief Executive Officer and other executive directors.	Principle G (UKCGC)
9.2.	*Approval of the delegated levels of authority, including the Chief Executive Officer's authority limits (which must be in writing).	
9.3.	*Establishing Board committees and approving their terms of reference and approving material changes thereto.	
10.	Corporate Governance Matters	
10.1.	*Undertaking a formal and rigorous annual review of its own performance, that of its committees and individual directors, together with the division of responsibilities.	Principle L (UKCGC)
10.2.	*Determining the independence of non-executive directors in accordance with the UK Corporate Governance Code.	
10.3.	*Considering the balance of interests between shareholders, employees, customers and the community.	CA 2006 s.172
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.	
10.6.	Authorising actual or potential conflicts of interest where permitted by the Company's articles of association.	CA 2006 s.177
10.7.	Authorisation of any area of potential conflict of interest arising from an external directorship or other business position or interest held by a director.	
11.	Policies	
11.1.	Approval of the following policies: <ul style="list-style-type: none"> • Anti-Bribery and Corruption Policy; • Anti-Slavery Policy; • Competition Law Policy; • Conduct Policy; • Data Protection Policy; • Fitness and Propriety Policy; • Information Security Policy; • Personal Account Dealing Policy; 	

	<ul style="list-style-type: none"> • Social Media Policy; and • Whistleblowing Policy. <p>Approval of minor amendments to the above policies may be delegated to any executive director of the Company as appropriate.</p>	
12.	Other	
12.1.	The making of political donations.	
12.2.	Approval of the appointment of the Group's brokers, corporate legal advisers, and registrars.	
12.3.	Prosecution, commencement, defence or settlement of litigation (or an alternative dispute resolution mechanism) involving £1 million or more, or being otherwise material to the interests of the Group.	
12.4.	Any other matter as directed from time to time by the Board.	
12.5.	This schedule of matters reserved for the Board.	

NOTES:

1. Matters which the Board considers suitable for delegation are contained in the terms of reference of its committees.
2. The Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.
3. Matters marked with an asterisk (*) are not considered to be suitable for delegation to a committee of the Board, for example, because of Companies Act requirements or because, under the recommendations of the UK Corporate Governance Code, they are the responsibility of an Audit, Nomination or Remuneration committee, with the final decision required to be taken by the Board as a whole.