

## Schedule of matters reserved for the Board

### **I. COMPOSITION**

- 1.1 The Board shall comprise the Chair, independent non-executive directors and executive directors of the Company.
- 1.2 The Board may request the attendance of any employee of the Company (or any of its subsidiaries) at its meetings.
- 1.3 The Company Secretary or his or her nominee shall be the Secretary to the Board.

### **2. MEETINGS**

- 2.1 The quorum for any meeting shall be two of the directors present throughout the meeting in person, or by telephone or video conference.
- 2.2 The Board shall normally meet six times a year and as the Chair shall require.
- 2.3 The Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.

### **3. RESPONSIBILITIES**

The responsibilities of the Board (subject to shareholder approval, where appropriate) are as follows:

#### **3.1 Strategy and Management**

- (a) responsibility for the overall management of the Group and to promote the success of the Company;
- (b) approval of the Group's long-term objectives and commercial strategy;
- (c) establish the Group's purpose and values and satisfy itself that these, its strategy and culture are aligned;
- (d) oversight of the Group's operations ensuring:
  - (i) competent and prudent management;
  - (ii) sound planning;
  - (iii) maintenance of sound management and internal control systems;
  - (iv) adequate accounting and other records; and
  - (v) compliance with statutory and regulatory obligations;

- (e) review of performance in the light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken;
- (f) approval of the material extension of the Group's activities into new business or geographic areas; and
- (g) approval of any proposal to cease to operate all or any material part of the Group's business.

### 3.2 Structure and Capital

- (a) approval of changes relating to the Group's capital structure including reductions of capital, share issues (except under employee share plans) and share buy backs (including the use of treasury shares);
- (b) approval of material changes to the Group's corporate structure;
- (c) approval of material changes to the Group's control structure;
- (d) consideration of recommendations for alteration of the memorandum and articles of association of the Company;
- (e) consideration of recommendations for a change of the registered office or the name of the Company; and
- (f) approval of any changes to the Company's listing or its status as a plc or its re-registration as an English company.

### 3.3 Financial Reporting and Controls

- (a) approval of the half-yearly report and any preliminary announcement of the final results;
- (b) approval of the Annual Report of the Company;
- (c) review of the Annual Report and consideration of whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- (d) approval of the viability statement to be made in the Company's Annual Report;
- (e) approval of the directors' report, the corporate governance report, the Company's strategic report and the business review in accordance with the Companies Act 2006 and the Listing Rules;
- (f) approval of the directors' remuneration report in accordance with regulatory requirements;

- (g) approval of annual budget, capital expenditure, estimates and forecasts, including profit, dividend or other forecast to be made public;
- (h) approval of the dividend policy;
- (i) declaration of the interim dividend and recommendation of the final dividend;
- (j) on the recommendation of the Audit Committee, approval of any significant changes in accounting policies or practices;
- (k) approval of treasury policies including foreign currency exposure and the use of financial derivatives;
- (l) considering recommendations for the alteration of the Company's accounting reference date.

### 3.4 Internal Controls

- (a) assisted by the Audit Committee, to ensure the maintenance of a sound system of internal controls including financial, operational and compliance controls, risk management systems, the prevention of bribery and detection of fraud and the means for the workforce to raise concerns in confidence (and anonymously);
- (b) receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives;
- (c) undertaking an annual assessment of these processes; and
- (d) approving an appropriate statement for inclusion in the Annual Report.

### 3.5 Corporate Governance Matters

- (a) undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors, such review to be externally facilitated at least every 3 years;
- (b) determining the independence of directors, determining whether each non-executive director is independent in character and judgement and whether there are relations or circumstances which are likely to affect or could affect the non-executive directors' judgement;
- (c) considering the balance of interests between shareholders, employees, customers and the community;
- (d) reviewing the Group's overall corporate governance arrangements;
- (e) receiving reports on the views of the Company's shareholders;
- (f) assessing and monitoring culture; and (f) authorising directors' conflicts of interest where permitted by the Company's articles of association.

### 3.6 Delegation of Authority

- (a) the division of responsibilities between the Chair and the Chief Executive;
- (b) approval of terms of reference of Board Committees;
- (c) receiving reports from Board Committees on their activities and
- (d) approval of the Group Delegated Authorities Register and structure.

### 3.7 Communication

- (a) making arrangements for dialogue with shareholders and canvassing shareholder opinion and engagement with shareholders in relation to any shareholder resolution is opposed by more than 20% or more of the votes cast;
- (b) approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting;
- (c) approval of all circulars, listing particulars and prospectuses;
- (d) approval of press releases concerning matters decided by the Board;
- (e) approval of mechanisms by which the Board will engage with employees in accordance with the requirements of the Code; and
- (f) review of reports from time to time on matters raised by employees in confidence and action(s) taken in response.

### 3.8 Acquisitions, Disposals and Contracts

- (a) monitoring transactions of the Group that are material<sup>1</sup> including:
  - (i) reverse takeovers;
  - (ii) any class 1 transaction;
  - (iii) any class 2 transaction;
  - (iv) related party transactions;
  - (v) the issue of shares or any class of listed security excluding share options;
  - (vi) any transaction involving an activity of a type not previously carried on by the Company; and

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<sup>1</sup> For these purposes material means transactions which fall in the categories (i) to (vii), the terms are as defined in the Listing Rules issued by the Financial Conduct Authority.

- (vii) a takeover bid subject to the Takeover Code; and
- (b) approval of all material acquisitions, material disposals, material contractual and other material operational matters requiring board approval as set out in the Group Delegated Authorities Register, including (but not limited to) approval of all:
  - (i) new Mitie Model shared-equity 'start-ups';
  - (ii) material acquisitions and material disposals;
  - (iii) material JVs;
  - (iv) material group restructurings; and
  - (v) material property investments.

### 3.9 People

- (a) Board membership and other appointments
  - (i) establishing Remuneration, Nomination and Audit Committees and determining the membership and Chairship of such Committees;
  - (ii) changes to the structure, size, composition and diversity of the Board, following recommendations from the Nomination Committee;
  - (iii) 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;
  - (iv) appointments to the Board following recommendations by the Nomination Committee, including selection of the Chair of the Board and the Chief Executive;
  - (v) appointment of one of the independent non-executive directors to be the Senior Independent Director;
  - (vi) 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 Annual General Meeting and otherwise as appropriate;
  - (vii) 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 provisions of law and their service contract;
  - (viii) appointment or removal of the Company Secretary; and
  - (ix) appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Audit Committee.

(b) Remuneration

- (i) on the recommendation of the Remuneration Committee, determining a directors' remuneration policy for the directors, Company Secretary and senior management;
- (ii) determining the remuneration of the non-executive directors; and
- (iii) considering the introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.

3.10 Policies

Approval of policies, including:

- (a) code of conduct;
- (b) share dealing code;
- (c) communications policy including procedures for the release of price sensitive information;
- (d) corporate social responsibility policy, including health and safety policy, environmental policy and ethical trading policy;
- (e) political or charitable donations policy;
- (f) bribery prevention policy; and
- (g) Modern Slavery statement.

3.11 Other

- (a) approval of all new material banking facilities and amendments to the same in accordance with the Group Delegated Authorities Register;
- (b) approval of the appointment of the Group's principal professional advisers;
- (c) prosecution, defence or settlement of litigation involving the Company or any subsidiary in accordance with the Delegated Authority Register;
- (d) approval of material new annual insurance cover for the Group, including Directors' & Officers' liability insurance and indemnification of directors;
- (e) approval of material changes to the rules of the Group's pension schemes, or changes of trustees, or material changes in the statement of investment principles and approval of material pension transfers as set out in the Group Delegated Authorities Register; and
- (f) this schedule of matters reserved for Board decisions.

**4. DELEGATION OF AUTHORITY**

Matters which the Board considers suitable for delegation are contained in the terms of reference of its Committees and in the Delegated Authorities Register.

**5. REPORTING PROCEDURE**

The Secretary shall circulate to all members of the Board the minutes of the meetings of the Board.

**6. SCHEDULE OF MATTERS - REVIEW**

The Board shall, at least once a year, review its own performance, constitution and this Schedule of Matters reserved to it to ensure it is operating at maximum effectiveness.

**Adopted 27 March 2019**

**Annual review 29 January 2020**