

## Schedule of matters reserved for the Board

### Bakkavor Group plc (the “Company”) and all its subsidiaries (together, the “Group”)

#### Introduction

This document summarises the matters which are reserved for the board of directors of the Company/ Group (the “Group Board”) and the delegation of authority in the Group.

#### The Group Board

The Group Board is responsible for the overall conduct and the long-term success of the Group. A summary of the key matters that require Group Board approval is set out below:

#### **Leadership, Strategy and management**

- Providing leadership and setting the values and standards of the Company and the Group
- Approval of the Group’s annual budget (the **Group Annual Budget**) and business plan (the **Business Plan**) and any material changes to them. The executive directors and Group Board are responsible for the management of the Group and developing the Group’s business strategy, objectives, budget and forecasts and, once approved by the Group Board, ensuring their successful implementation
- Monitoring the delivery of the Group’s business strategy and objectives and ensuring that necessary corrective action is taken
- Capital expenditure over £1m not included in the Group Annual Budget or Business Plan, or over 20% in excess of aggregate capital expenditure in the Annual Budget
- New debt/financing anywhere in the Group
- Factoring of debts or entry into any invoice discounting scheme (except arrangements existing at January 2016 and their renewal on substantially the same terms)
- Overseeing the Group’s operations, ensuring competent and prudent management, sound planning, maintenance of sound management and internal control systems, adequate accounting and other records and compliance with statutory and regulatory obligations
- Adopting (or making a material amendment or variation to) the Group’s major policies on the conduct of business, environmental, health and safety, environmental policy, insurance and risk management, treasury (including, for the avoidance of doubt, interest rate and foreign exchange and financial derivatives) and employment law issues.

#### **Structure and capital**

- Approving changes to the Company’s share capital structure including reduction of capital, share buy-backs (except under employees’ share plans) and issue of shares or other securities and any changes to the share capital of any of Bakkavor Holdings Limited, Bakkavor Finance (1) Limited, Bakkavor Finance (2) plc and Bakkavor Finance (3) Limited, each a **Material Company**
- Approving any issue of securities of a company in the Group to a person not a member of a Group, where such issue is material in the context of the Group
- Approving any proposed material alteration of the articles of association of the Company
- Approving any changes to the Company’s listing or the markets on which its securities are traded
- Winding up or disposal of any Group company
- Any merger or amalgamation or corporate reconstruction of any Group company
- Establishment of a branch outside the UK, or incorporation of a new subsidiary
- Approving any major changes to the Group’s management or control structures
- Approving any borrowings by the Group in excess of £1m
- Approving guarantees or indemnities given by the Group for amounts in excess of £1m
- Approving any injection of capital into a member of the Group, whether by way of loan or subscription to shares

#### **Major capital projects and contracts**

- Entry into joint venture

- Disposal of an asset; or part of an undertaking with a book or market value of over £1m; or where aggregate of disposals for the whole Group in any financial year is over £3m
- An acquisition by any means (including lease or licence) of any asset with a value of over £1m; or over £3m in aggregate per year (other than as provided for in Group Annual Budget or Business Plan)
- Entry into contracts outside the normal course of business which are ((i) material strategically or by reason of size; (ii) exposes the Group to unlimited legal liability; or (iii) other than on an arm's -length basis
- Approving any Class 1 or 2 transaction or related party transaction, as defined in the Listing Rules of the Financial Conduct Authority
- Material changes in the terms of a material contract or understanding with an annual value of £5m; or such other value as Group Board agrees from time to time (NB this could cover material variation to customer and major supplier arrangements)
- Entry into any agreement which restricts a Group company's freedom to do business (NB this will cover any exclusivity or restrictive covenants applying to the Group)
- Hire purchase, credit, conditional sale, rental or leasing agreement which together have an aggregate value of over £3m in excess of Group Annual Budget
- Approving any takeover offer for another company subject to the City Code on Takeovers and Mergers
- Making of a recommendation to accept any takeover or merger offer
- Save for securitisation transactions in the ordinary course of the Group's business, approving any other securitisation

#### **Financial reporting and controls**

- Approval of the quarterly and half-yearly reports, interim management statements and any preliminary announcements of the final results
- Approval of the annual report and accounts including the corporate governance statement and directors' remuneration report
- Approving the dividend policy, determination of any interim dividend and the recommendation (subject to the approval of shareholders in general meeting) of any final dividend to be paid by the Company or of any other distributions by the Company
- Approving any significant changes in the accounting policies or practices

#### **Risk management and internal controls**

- Ensuring the Group has effective systems of internal control and risk management in place, including approving the Group's risk appetite and its procedures for the detection of fraud and the prevention of bribery
- Undertaking an annual review of the Group's systems of control and risk management

#### **Communications**

- Approving any prospectuses, circulars to holders of the Company's securities and recommendations in respect of any matters or notices which may be submitted to holders of the Company's securities in accordance with statutory requirements or requirements of the Financial Conduct Authority or London Stock Exchange or the Company's articles of association
- Approving press releases concerning matters decided by the Group Board
- Receiving reports from the market disclosure committee on compliance with the Company's continuing disclosure obligations.

#### **Board membership and other appointments**

- Changing the structure, size and composition of the Group Board, following recommendations from the Nomination Committee
- Ensuring adequate succession planning for the Group Board and senior management of the Group so as to maintain an appropriate balance of skills and experience (taking account of recommendations from the nomination committee where appropriate)
- Making appointments to the Group Board, following recommendations from the nomination committee
- Appointing directors of other companies in the Group and appointing senior managers of the Company or the Group
- Determining the membership and chairmanship of Board committees and approving amendments thereto, following recommendations from the nomination committee

### Corporate Governance Matters

- Formally reviewing the performance of the Group Board and its committees, individual directors and the Group's overall corporate governance framework
- Determining whether a director is independent
- Considering the balance of interests between shareholders, employees, customers and the community
- Receiving and considering the views of the Company's shareholders
- Authorising any conflict of interest where permitted by the Company's articles of association

### Remuneration

- Determining and agreeing with the remuneration committee the policy for the remuneration of the chairperson and the executive directors
- Introducing share incentive plans or making major changes to existing plans, to be put to shareholders for approval
- Determining the remuneration of non-executive directors of the Company, subject to the articles of association of the Company

### Other Matters

- Approval and monitoring of the securities dealing code.
- Approval and monitoring of the corporate social responsibility policy and report.
- Approving policies on the making of political donations (subject to the Approving shareholders in general meeting) and charitable donations.
- Material interaction with regulators, including during any investigations.
- Approving the Group's levels of insurance, including directors' and officers' liability insurance.
- Approving directors' indemnities.
- Approving the introduction, or any material changes to the rules, or changes in the trustees, of any pension plan or scheme.
- Approving any other matters which are reserved for decision by the Board in accordance with the requirements of applicable law, regulation or pursuant to accepted best practice or under the articles of association of the Company.
- Any decision likely to have a material impact on the Company or the Group from any perspective, including financial, operational, strategic, regulatory or reputational.
- Review of this delegation of authority (at least annually).

### Delegated Authority Board Committees

The Group Board delegates certain functions to the Management Board, Audit Committee, Remuneration Committee, and Nomination Committee to review specific issues in relation to strategic objectives, financial reporting, key business risks, Management Board remuneration and the composition of, and appointments to the Board. The committees make recommendations to the Group Board, but Group Board approval is still required for key decisions.

### Management Board

The Group Board delegates authority to the Management Board, which implements the strategic objectives of the Group Board, agrees on performance criteria, and delegates to management the detailed planning and implementation of those objectives and policies, in accordance with appropriate risk parameters.

The powers delegated to the Management Board cover the following areas:

- Preparing strategic proposals, corporate plans, and budgets
- Executing the strategy agreed upon by the Group Board
- Executing actions in relation to Group Board decisions on investments, mergers, and acquisitions, etc.
- Opening bank accounts and authorising financial payments
- Signing of contracts
- Signing of regulatory documents
- External communication

- Staff recruitment and remuneration
- Establishing a system of internal control and risk management
- Health and safety

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