

## HAMMERSON PLC

### SCHEDULE OF MATTERS RESERVED FOR THE APPROVAL OF THE BOARD

#### BACKGROUND

- Pursuant to Article 113 of the Company's articles of association (the "**Articles**"), subject to the provisions of the Articles, the Board of Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.
- Pursuant to Article 132 of the Articles, subject to the provisions of the Articles, the Directors may delegate any of the powers conferred to them under the Articles to such persons or committees, by such means, to such an extent, in relation to such matters or territories, and on such terms and conditions as they think fit.
- **This Schedule sets out those matters which are reserved to the Board. Any matter set out below may also be subject to shareholder, regulatory or other third party approval.**
- Some matters which the Board considers suitable for delegation are contained in the terms of reference of the relevant Committee of the Board and in the Company's Delegation of Authority Policy. Note that some matters are not suitable for complete delegation in light of either the requirements of the UK Companies Act 2006 or the UK Corporate Governance Code 2018. On this basis, some matters which are reserved to the Board are noted as being "on recommendation" from a Committee.
- Any matters which are not set out in this Schedule, in the terms of reference of a relevant Committee of the Board, or in the Company's Delegation of Authority Policy are deemed to have been delegated to the CEO. The CEO may delegate powers relating to these matters to such persons or committees, by such means, to such an extent, in relation to such matters or territories, and on such terms and conditions as he or she thinks fit.
- For the purposes of this Schedule any phrase introduced by the term "includes", "including", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

#### MATTERS RESERVED TO THE BOARD

##### 1.1 Purpose and strategic direction

- 1.1.1 Responsibility for the Group's overall commercial strategy and business plan, including:
  - (A) formulation of the Group's purpose, values and strategy and monitoring and assessment of the Group's cultural alignment with the same, including evaluation of any corrective action implemented by management;
  - (B) formulation of the Group's long term strategic and operational objectives and any material changes to the same, including ensuring that the Group has the necessary financial and human resources to meet such objectives and measure performance against the same;
  - (C) approval of the Group's annual Business Plan and any material changes to the same
- 1.1.2 Assessment of the basis on which the Group generates and preserves value
- 1.1.3 Any decision to extend the Group's activities into any new line of business or geographic area
- 1.1.4 Any decision to cease to operate all or any material part of the Group's activities in any existing line of business or geographic area

## 1.2 **Structure and capital**

- 1.2.1 Subject to requisite shareholder approval, approval of any change to the Company's articles of association or other constitutional documents
- 1.2.2 Approval of any change to the Company's capital structure, including:
  - (A) any increase or reduction of capital (other than pursuant to employee share schemes);
  - (B) any share buyback (including through the use of any shares which may be held in treasury)
- 1.2.3 Approval of any change to the Company's listing arrangements on either the London Stock Exchange or the Johannesburg Stock Exchange or Euronext Dublin.
- 1.2.4 Approval of any change to the Company's status as a public limited company
- 1.2.5 Any decision to wind-up, dissolve or otherwise liquidate the Company or its business
- 1.2.6 Approval of any material change to the Group's corporate structure, excluding (without limitation) the dissolution, strike-off or liquidation of any subsidiary of the Group as part of an ordinary course entity rationalisation process
- 1.2.7 Approval of any material change to the Group's management or control structures

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

- 1.3.1 Oversight of 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 risk management framework
- 1.3.2 Assessment of the Company's emerging and principal risks, mitigation activities in respect of the same and the process to identify future emerging risks
- 1.3.3 Review, on an at least annual basis, of the effectiveness of the Group's risk and control processes to support its strategy and receipt of regular updates on the same
- 1.3.4 Determination of the nature and extent of the principal risks the Group is willing to take in order to achieve its long term strategic and operational objectives
- 1.3.5 Approval of any statement as to the Group's risk appetite, including that set out in the annual report and accounts
- 1.3.6 Approval of procedures, systems and controls for the detection of fraud, the prevention of bribery and the safeguarding of the Group's assets
- 1.3.7 Approval the overall levels of insurance for the Group, including directors' and officers' liability insurance
- 1.3.8 Approval of any Director indemnification arrangements
- 1.3.9 Approval of the Company's arrangements for employees and contractors to raise concerns, in confidence and anonymously, about any matter relating to the Group, and review of these arrangements and any reports arising from their operation

## 1.4 **Financial direction**

- 1.4.1 Approval of the Group operating budget
- 1.4.2 Review of operational results, including rental income, operating expenses, vacancies and general and administrative expenses

- 1.4.3 Approval of entry into any new facilities of more than £50m, or the seeking of waivers or amendments to the terms of any existing facilities of more than £50m, or any other debt finance transactions of more than £50m
  - 1.4.4 On recommendation from the Audit Committee, approval of the Company's accounting policies and practices, and any significant changes to the same
  - 1.4.5 Approval of the Company's general treasury and foreign exchange policy and practices (including foreign currency exposure and the use of derivative instruments), and any significant changes to the same
  - 1.4.6 Approval of the Group's taxation policy, including any decisions relating to the Company's status as a Real Estate Investment Trust
  - 1.4.7 Approval of any material changes in major banking relationships, excluding (for the avoidance of doubt) any changes to bank account signatories
  - 1.4.8 Approval of any of the activities set out in paragraphs 1.5.3(A), 1.5.3(B), 1.5.3(C), 1.5.3(D) and 1.5.4
  - 1.4.9 Approval of any political donation
- 1.5 Contracts, agreements and arrangements**
- 1.5.1 Approval of any contract or business arrangement in which a director has or may have an interest
  - 1.5.2 Approval of any contract or business arrangement in which a shareholder which is a related party has or may have an interest
  - 1.5.3 In accordance with the Delegation of Authority Policy approved by the Board on or around the date of this Schedule, approval of any:
    - (A) new lease or lease renewal where the total cost of such lease or renewal is more than £10m;
    - (B) landlord-exercised break or surrender where the total cost of such break or surrender is more than £10m;
    - (C) capital commitment of more than £50m;
    - (D) financing or deposit arrangements of more than £50m;
    - (E) guarantee or uncapped indemnity (save for any indemnity, whether uncapped or not, to be provided to a professional adviser of the Group) to be provided by the Company
  - 1.5.4 Approval of any investment activity within the Group:
    - (A) in accordance with the Business Plan of more than £50m; and
    - (B) outside such investment activity envisaged by the Business Plan,
 In each case, including:
    - (C) any acquisition or disposal, whether by way of a share or asset deal or combination of both;
    - (D) entry into, exit from, or any material alteration to the terms or structure of any joint venture;
  - 1.5.5 Approval of any material contract (other than an occupational lease) outside the ordinary course of business
  - 1.5.6 Approval of and any material amendment to the Delegation of Authority Policy
- 1.6 Litigation and investigations**
- 1.6.1 Any decision to commence or defend any litigation, arbitration or other form of dispute resolution (excluding uncontested property litigation under the Landlord

and Tenant Act 1954) where the potential exposure for the Group is more than £10m

- 1.6.2 Any decision to settle any dispute where the amount of any such settlement is more than £10m
- 1.6.3 Any decision to waive any liability owed to the Group where the amount of such waiver is more than £10m
- 1.6.4 Notification of any:
  - (A) decision by the Chief Executive Officer (in conjunction with the General Counsel & Company Secretary) to commence or defend any criminal proceedings;
  - (B) litigation involving government or any regulatory authority;
  - (C) investigation by any regulatory authority; or
  - (D) dispute which is reasonably determined by the General Counsel & Company Secretary to have material potential for negative adverse publicity in respect of the Group

## 1.7 **Investor relations, reporting to shareholders and stakeholder engagement**

- 1.7.1 Approval of the annual report and accounts (including the corporate governance statement and directors' remuneration report)
- 1.7.2 Approval of the dividend policy, including the declaration of any interim dividend and the recommendation of any final dividend, and any decision as to the availability of a scrip dividend or dividend reinvestment programme
- 1.7.3 On recommendation from the Audit Committee, approval of:
  - (A) the half year and full year financial results announcements and associated financial statements; and
  - (B) any other formal announcements relating to the Company's financial performance
- 1.7.4 Approval of any notice of general meeting and associated documentation
- 1.7.5 Approval of any circular, prospectus or listing particulars
- 1.7.6 Except where such announcement is within the remit of the Disclosure Committee in accordance with its Terms of Reference, approval of any announcement concerning matters decided by the Board
- 1.7.7 Any decision to make any form of takeover offer and any decision as to how to respond to any form of takeover offer or approach in respect of the Company
- 1.7.8 Review of and receipt of reports on shareholder and other stakeholder engagement activities, including (where appropriate) in relation to significant matters within the scope of the Committees' respective responsibilities

## 1.8 **Corporate governance**

- 1.8.1 Approval of the Company's corporate governance arrangements, including the Company's compliance with the UK Corporate Governance Code
- 1.8.2 Oversight of the Company's compliance with the UK Companies Act, the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules, the Market Regulation, the UK Bribery Act and other relevant laws
- 1.8.3 Approval of the division of responsibilities between the Chair, the Chief Executive Officer and the Senior Independent Director
- 1.8.4 Conduct of a formal, rigorous annual review of the performance of the Board, its Committees and individual Directors (including an externally facilitated board

evaluation process at least once every three years) and taking action in relation to the results of the same

- 1.8.5 Determination of the independence of non-executive Directors in accordance with the UK Corporate Governance Code 2018
- 1.8.6 Approval of any actual or potential Directors' conflict of interest
- 1.8.7 Any decision to create a new Committee of the Board or to amend materially or terminate any existing Committee of the Board
- 1.8.8 On recommendation from the relevant Committee, approval of the terms of reference of any Committee of the Board and any material changes to the same
- 1.8.9 Review of reports received from Committees of the Board on their activities and decisions
- 1.8.10 Approval of any amendment to this Schedule and the delegation of the Board's powers
- 1.8.11 Approval of Group policies and any material revisions to the same, including:
  - (A) Board diversity policy (on recommendation from the Nomination Committee);
  - (B) Bribery prevention and whistleblowing policy;
  - (C) Business continuity policy;
  - (D) Slavery and Human Trafficking statement;
  - (E) Charitable donations policy;
  - (F) Code of Conduct
  - (G) Communications policy;
  - (H) Corporate social responsibility policy;
  - (I) Data protection policy
  - (J) Environmental policy;
  - (K) Health and safety policy
  - (L) Political donations policy;
  - (M) Share dealing policy;
  - (N) Whistleblowing policy
- 1.8.12 Confirmation that workforce policies and practices are consistency with the Group's values and support the long-term, sustainable success of the Company

## 1.9 **Appointments and membership of the Board**

- 1.9.1 On recommendation from the Nomination Committee, and in each case with a view to ensuring any appointment is based on merit and objective criteria and promotes diversity of gender, social and ethnic backgrounds as well as cognitive and personal strengths, approval of:
  - (A) any changes to the structure, size and composition of the Board;
  - (B) any appointment or re-appointment to the Board;
  - (C) the continuation in office of any Director, including the suspension or termination of any executive Director as an employee of the Company;
  - (D) succession planning for the Board and senior management;
  - (E) in respect of each Committee of the Board, the overall membership of that Committee and the appointment of its Chair;
  - (F) the selection of:

- (1) the Chair of the Board;
- (2) the Senior Independent Director;
- (3) the Chief Executive Officer;
- (G) the terms of appointment of the Chair and the non-executive Directors;
- (H) additional appointments to boards other than the Board of the Company in respect of any Director

1.9.2 Approval of appointment and removal of the Company Secretary

## 1.10 Remuneration

1.10.1 On recommendation from the Remuneration Committee, approval of the remuneration policy in respect of the Chair of the Board, each of the Executive Directors, the General Counsel and Company Secretary and each member of the Group Executive Committee

1.10.2 Approval of the remuneration of each of the non-executive Directors (subject to the articles of association of the Company from time to time)

## 1.11 People

1.11.1 Selection of one or more methods of workforce engagement in accordance with the UK Corporate Governance Code 2018 and approval of any material change to such method(s)

1.11.2 Approval of any material change in the rules or funding of the Company's pension schemes (including changes in fund management)

## 1.12 Appointment and removal of advisers

1.12.1 Approval of the appointment and removal of the Company's principal advisers including:

- (A) financial advisers;
- (B) investment bankers;
- (C) brokers;
- (D) property valuers

1.12.2 On recommendation from the Audit Committee, approval of:

- (A) any appointment, re-appointment or removal of the existing auditor to be put to shareholders for approval;
- (B) the audit scope memorandum and the auditor's engagement letter;
- (C) the auditor's letter of recommendation;
- (D) the Audit Committee's report on the qualification, expertise and resources, effectiveness, independence and objectivity of the auditor

1.12.3 Approval of the appointment of any firm of consultants or professional advisers for a non-capital project (including external legal counsel) where fees are expected to be more than £10m

**Hammerson plc**

28 January 2021