

Schedule of Matters Reserved for the SThree plc Board/Committees and subsidiary company control framework.

NB (please also refer to the notes below the table)

1	Strategy and management	PLC Board/ Committee
1.1	Responsibility for the overall management of the group.	CGC A.1 via Board/ Committees
1.2	Approval of the group's long term objectives, commercial strategy or substantial strategic initiatives in terms of value.	CGC A.1 Over £1m via Board/Committees
1.3	Approval of the total annual operating and capital expenditure budgets, estimates and forecasts and any material changes to them.	Over £1m via Board/ Committees
1.4	Oversight of the group's operations ensuring: <ul style="list-style-type: none"> • competent and prudent management • sound planning • an adequate system of internal control • adequate accounting and other records • compliance with statutory and regulatory obligations. 	via Board/Committees
1.5	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.	CGC A.1 via Board/Committees
1.6	Extension of the group's activities into new businesses or geographic areas, including new Brands.	via Board/Committees
1.7	Any decision to cease to operate, or sell all or any material part of the group's business or assets (assessed by market value).	Over £1m via Board/ Committees
1.8	Acquisition or disposal of any subsidiary undertaking, shares or assets in a body corporate, including forming a joint venture.	Over £1m via Board/ Committees
1.9	Capital expenditure, including lease commitments	Over £1m via Board/ Committees
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 buybacks (including the use of treasury shares), funding, re-capitalisation, lien/calls or special rights or restrictions attaching to shares of plc and subsidiaries.	Over £1m via Board/ Committees

2.2	Changes to the group's corporate structure, including the internal transfer of shares in any subsidiary (assessed by book value).	Over £1m via Board/ Committees
2.3	Changes to the group's management and control structure.	via Board/Committees
2.4	Any changes to the company's listing or its status as a plc.	Board (plc changes)
2.5	Proposals to change Memorandum & Articles of Association.	Board (plc changes)
2.6	Formation of new group company/branch or creation of Minority Interests (investment).	Over £1m via Board/ Committees
3	Financial reporting and controls	
3.1	*Approval of preliminary announcements of interim and final results.	CGC C.1 Audit Co
3.2	*Approval of the annual report and accounts, including the corporate governance statement, remuneration and directors' report.	CA s412 to s422 LR 9.7.A.1 CGC C.1.1 Audit Co
3.3	*Approval of the dividend policy and timetable.	via Board/Committees
3.4	*Declaration of the interim dividend, recommendation of the final dividend or reduction of reserves.	LR 9.7.A.2 Audit Co
3.5	*Approval of any significant changes in accounting policies or practices or ARD.	Audit Co
3.6	Approval of treasury policies including foreign currency exposure and the use of derivatives.	via Board/Committees
3.7	Issue of any debt instruments, including bond issues, debenture issues, loan stock instruments and financial indebtedness	Over £1m via Board/ Committees
3.8	Approval/renewal of guarantees, liens, indemnities, warranties, performance bonds, bid bonds, letters of credit and similar commitments whether issued by a bank or by any group company (assessed by total Group exposure).	Over £1m via Board/ Committees
3.9	Approval of trading statements	via Board/Committees
4	Internal controls	
4.1	Ensuring maintenance of a sound system of internal control and approval of risk management policies, including:	

	<ul style="list-style-type: none"> receiving reports on, and reviewing the effectiveness of, the group's risk and control processes to support its risk appetite, strategy and objectives undertaking an annual assessment of these processes approving an appropriate statement for inclusion in the annual report. 	CGC C.2, C.2.1 Audit Co
5	Contracts	
5.1	Contracts which are material strategically (as determined by the Board from time to time or as contained in any Company business plan) or by reason of size, entered into by the company or any subsidiary <u>in the ordinary course of business</u> , for example banking arrangements, bank borrowings; and major acquisitions or disposals of fixed assets; or commitments (including under leases), involving consideration, liabilities or expenditure or material changes to such arrangements. Approval/renewal of an operating lease (relating to capital items including land and buildings) for a rental fee (to include service charge) over the life of the lease. Tenders/renewal of contracts with a net present value financial commitment	Over £1m via Board/ Committees
5.2	Contracts of the company or any subsidiary <u>not in the ordinary course of business</u>	Over £1m via Board/ Committees
5.3	Major investments including the acquisition or disposal of interests in the voting shares of any company or the making of any takeover offer.	Over 5% via Board/Committees
6	Communication	
6.1	Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.	Board
6.2	*Approval of all circulars and listing particulars (although approval of routine documents such as periodic circulars about scrip dividend procedures or exercise of conversion rights may be delegated to a committee).	Board
6.3	*Approval of material press releases concerning matters decided by the Board.	via Board/Committees NB routine = 1 plc officer
7	Board membership and other appointments	
7.1	*Changes to the structure, size and composition of the Board (following recommendation from the Nomination Committee for plc).	Nomination
7.2	*Ensuring adequate succession planning for the Board and senior management.	CGC A.4, A.7 via Board/Committees

7.3	*Appointments to the Board (following recommendations by the Nomination Committee for plc), including alternate directors).	Nomination
7.4	*Selection of the Chairman of the Board and the Chief Executive.	Nomination
7.5	*Appointment of the Senior Independent Director.	CGC A.4.1 Nomination
7.6	*Membership and Chairmanship of Board committees.	Nomination
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.	Nomination
7.8	*Discontinuation in office of any PLC/subsidiary director at any time, including the suspension or termination of service of an executive director as an employee/partner of the company, subject to the law and their service contract.	Nomination
7.9	*Appointment or removal of the Company Secretary.	CA s271, s273 CGC B.5.2 Board
7.10	*Appointment, re-appointment or removal of the external audit or to be put to shareholders for approval, following the recommendation of the audit committee.	CA s489 CGC C.3.2 Audit Co
7.11	Changes to Boards of trading subsidiaries.	For noting
7.12	Employment/termination of any other person by any group company, or the variation of remuneration/benefits of such person (dependent on aggregate salary/remuneration).	Over £1m via Board/Committees
8	Remuneration	
8.1	Determining the remuneration of all directors, subject to the articles of association and shareholder approval as appropriate.	CGC D.1 Rem Co
8.2	*The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.	Rem Co
8.3	Provision for compensation, gratuities or pensions to former plc directors	Rem Co
9	Delegation of authority	
9.1	*The division of responsibilities between the chairman, the chief executive and other executive directors, which should be in writing.	CGC A.2.1 Board
9.2	*Approval of terms of reference of Board committees.	CGC B.2.1, C.3.3, D.2.1 Board

9.3	*Receiving reports from Board committees on their activities.	Board
9.4	The grant of Powers of Attorney for a material matter.	NB routine = 1 plc officer
10	Corporate Governance matters	
10.1	*Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors.	CGC B.6 Board
10.2	*Determining the independence of directors.	CGC A.3.1 Board
10.3	*Considering the balance of interests between shareholders, employees, partners, customers and the community.	Board
10.4	Review of the group's overall Corporate Governance arrangements.	via Board/Committees
11	*Receiving reports on the views of the company's shareholders.	CGC E. 1.1 Board
11	Policies	
11.1	Approval of policies, including:	
	<ul style="list-style-type: none"> • HR policies/Codes of Conduct/Ethics (including fraud) • Share Dealing Code • Health and Safety policy • Environmental policy • Communications policy including procedures for the release of price-sensitive information • Corporate Social Responsibility policy • Political/Charitable donations policy 	CGC A.1 via Board/Committees
12	Other	
12.1	The making of political donations.	via Board/Committees
12.2	Approval of the appointment of the Group's principal professional advisers/brokers.	via Board/Committees
12.3	Prosecution, defence or settlement of litigation in value, or being otherwise material to the interests of the Group.	Over £1m via Board/Committees
12.4	Approval of the overall levels of insurance for the group including Directors' & Officers' liability insurance and indemnification of directors.	Over £1m via Board/Committees
12.5	The adoption of a new group pension scheme, major changes to the rules of the group's pension scheme, or changes of trustees.	Over £1m via Board/Committees
12.6	This schedule of matters reserved for Board, Committees and subsidiary companies.	Board

12.7	Charitable contributions per donation	Over £1m via Board/Committees
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Notes

Those matters normally considered suitable for delegation by the Board are contained in the terms of reference of its Committees. In the case of subsidiary company/brand authorisations, for any of the above areas that are not specifically detailed within the Group Authorities Matrix (which sets out all agreed internal financial limits), approval of one plc officer (i.e. Director/Secretary) is required. However, the approval of a plc officer is in addition to any normal legal requirement in respect of subsidiary Board or other approval/sign off by way of minutes, etc.

The plc Board will also receive reports and recommendations from time to time on any matter it considers significant to the Group. Items marked “*” are not normally considered 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 to be taken by the Board as a whole.

CA refers to the Companies Act 2006; CGC refers to the UK Corporate Governance Code; and LR refers to the FSA Listing Rules.

References to Audit, Nomination or Remuneration refer to the Board Committee, which will consider the item and make recommendations to the Board for its final decision.

Date: November 2014