

**SOFTCAT PLC**  
**(the "Company")**

**LIST OF MATTERS RESERVED FOR DECISION**  
**BY THE FULL BOARD OF DIRECTORS (the "Board")**

<b>1.</b>	<b>STRATEGY AND MANAGEMENT</b>	
1.1	Responsibility for the overall leadership of the Company and setting the Company's values, culture and standards.	Code Principle B, Code Provision 2
1.2	Approval of the Company's strategic aims and objectives.	Code Provision 2
1.3	Approvals of the annual operating and capital expenditure budgets and any material changes to them.	
1.4	Oversight of the Company's operations ensuring: <ul style="list-style-type: none"> <li>• competent and prudent management;</li> <li>• sound planning;</li> <li>• maintenance of sound management and internal control systems;</li> <li>• adequate accounting and other records; and</li> <li>• compliance with statutory and regulatory obligations.</li> </ul>	Code Principle O, Code Provision 25
1.5	Review of performance in the light of the Company's strategic aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.	Code Principle C
1.6	Extension of the Company's activities into new business or geographic areas.	
1.7	Any decision to cease to operate all or any material part of the Company's business.	
<b>2.</b>	<b>STRUCTURE AND CAPITAL</b>	
2.1	Changes relating to the Company's capital structure including reduction of capital, share issues (except under employee share plans), share buy backs, including the use of treasury shares.	
2.2	Major changes to the Company's corporate structure, including, but not limited to acquisitions and disposals of shares which are material relative to the size of the Company (taking into account initial and deferred consideration)	
2.3	Changes to the Company's management and control structure.	
2.4	Any changes to the Company's listing or its status as a plc.	
2.5	Approval of any proposed alteration to the articles of association, registered office or name of the Company.	
<b>3.</b>	<b>FINANCIAL REPORTING AND CONTROLS</b>	
3.1	Approval of the half-yearly report, quarterly trading updates, any preliminary announcements of final results and any other trading update.	Code Provision 27 Audit DTR 4.1-4.4
3.2	Approval of the annual report and accounts, including the corporate governance statement and directors' remuneration report.	CA06 s414, s415 DTR7 LR9.8 Code Provision 27 Audit
3.3	Approval of the dividend and any capital distributions policy.	
3.4	Declaration of the interim dividend and recommendation of the final dividend.	LR9.7A.2 DTR 6.1.13
3.5	Approval of any significant changes in accounting policies or practices.	
3.6	Approval of treasury policies, including foreign currency exposure and the use of financial derivatives.	

3.7	Approval of: <ul style="list-style-type: none"> <li>• annual budget, capital expenditure, estimates and forecasts, including profit, dividend or other forecasts made public; or</li> <li>• material unbudgeted capital or operating expenditure (outside pre-determined tolerances).</li> </ul>	
3.8	Recommendations for the alteration of the Company's accounting reference date.	
4.	<b>INTERNAL CONTROLS</b>	
4.1	Ensuring maintenance of a sound system of internal control and risk management including: <ul style="list-style-type: none"> <li>• approving the Company's risk appetite statements;</li> <li>• assessing the principal and emerging risks facing the Company, how they are managed and mitigated</li> <li>• receiving reports on, and reviewing the effectiveness of, the Company's risk and control processes to support its strategy and objectives;</li> <li>• approving procedures for the detection of fraud and the prevention of bribery;</li> <li>• undertaking an annual assessment of these processes; and</li> <li>• approving an appropriate statement for inclusion in the annual report.</li> </ul>	Code Principle O, Code Provisions 28, 29, 31 Audit UK Bribery Act 2010
5.	<b>CONTRACTS</b>	
5.1	Approval of major capital projects and oversight over execution and delivery.	
5.2	Approval of all bank borrowings greater than £250,000 and changes in relationship bank partners.	
5.3	Approval of any corporate acquisition or disposal.	
5.4	Approval of any property transaction (either freehold or leasehold).	
5.5	Approval of, and oversight over the execution and delivery of contracts which are material strategically or by reason of size, entered into by the Company or, in the case of any subsidiary, recommendations for approval in the ordinary course of business.	
5.6	Approval of operating expenditure (including overhead and non-revenue generating expenditure) that is: <ul style="list-style-type: none"> <li>• unbudgeted and has a value of more than £250,000 ; or</li> <li>• budgeted and has a value of more than £500,000 .</li> </ul>	
5.7	Contracts of the Company or any subsidiary not in the ordinary course of business, for example: <ul style="list-style-type: none"> <li>• All trading transactions with a value of more than £25 million;</li> <li>• Trading transactions exceeding £10m in value that have particular identified risk associated with them. Identified risk includes, but is not limited to, i) performance risk ii) credit risk and iii) contract duration risk</li> <li>• all acquisitions or disposals of fixed assets (including intangible assets such as intellectual property) that is: <ul style="list-style-type: none"> <li>▪ unbudgeted and has a value of more than £250,000 ; or</li> <li>▪ budgeted and has a value of more than £500,000 ;</li> </ul> </li> <li>• loan repayments of any amount;</li> <li>• foreign currency transactions above £5 million; and</li> </ul>	

	<ul style="list-style-type: none"> <li>• investments and capital projects that is: <ul style="list-style-type: none"> <li>▪ budgeted and exceeding £500,000; or</li> <li>▪ unbudgeted and exceeding £250,000;</li> </ul> </li> <li>• indemnities or guarantees where the maximum amounts payable could in aggregate exceed £2 million;</li> <li>• the creation of any mortgage, charge (fixed or floating), pledge, hypothecation or other encumbrance of a similar nature over all or any part of the undertaking, property and assets (both present and future) and uncalled capital of the Company with a value of more than £2 million; or</li> <li>• the issue of any financial instrument or derivative transaction, including bond issues, debenture issues and loan stock instruments.</li> </ul>	
5.8	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.
5.9	Approval of uninsured customer credit exposures exceeding £5million	
5.10	Approving material changes to the annual credit insurance programme.	
6.	<b>COMMUNICATION</b>	
6.1	Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.	Code Principle D, Code Provisions 3,4
6.2	Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.	LR13. 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.	<b>BOARD MEMBERSHIP AND OTHER APPOINTMENTS</b>	
7.1	Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.	Code Provision 17 Nomination
7.2	The establishment of any new committee of the Board.	
7.3	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.	Code Principle J, Code Provision 17
7.4	Appointments to the Board, following recommendations by the Nomination Committee.	Code Principle J, Code Provision 17 Nomination
7.5	Selection of the chair of the Board and the chief executive.	GBE 1.4.–1.8, 1.12-1.17, 4.1-4.7 Nomination
7.6	Appointment of the senior independent director to provide a sounding board for the chair and to serve as intermediary for the other directors when necessary.	Code Provision 12 GBE 1.9-1.11 Nomination
7.7	Membership and chair of Board committees following recommendations from the Nomination Committee.	Nomination
7.8	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.	Nomination
7.9	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.	Nomination
7.10	Appointment or removal of the Company secretary.	CA06 Part 12 s270-280 Code Provision 16 GBE 2.1-2.4

7.11	Appointment, reappointment or removal of the external auditor to be put to shareholders for approval in general meeting, following the recommendation of the Audit Committee.	CA06 s489 and s491 Code Provision 25 Audit Committee Guidance para 29
7.12	Appointments to boards of subsidiaries.	
8.	<b>REMUNERATION</b>	
8.1	On the recommendation of the Remuneration Committee, determining the remuneration policy for the directors, Company secretary and other senior executives.	Code Principle Q, Code Provision 33
8.2	Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.	Code Provision 34
8.3	The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.	Remuneration
9.	<b>DELEGATION OF AUTHORITY</b>	
9.1	The division of responsibilities between the chair, the chief executive, any senior independent director, any director designated for workforce engagement and other executive directors, which should be clearly established, set out in writing and agreed by the Board.	Code Provision 14
9.2	Approval of the delegated levels of authority, including the chief executive's authority limits (which must be in writing).	
9.3	Establishing Board committees and approving their terms of reference, and approving material changes thereto.	Code Provisions 17, 24, 32
10.	<b>CORPORATE GOVERNANCE MATTERS</b>	
10.1	Undertaking a formal and rigorous annual review of its own performance, that of its committees and individual directors, and the division of responsibilities.	Code Principle L. Code Provision 21
10.2	Determining the independence of non-executive directors in light of their character, judgment and relationships.	Code Provision 10
10.3	Considering the balance of interests between shareholders, employees, customers and the community.	CA06, s172
10.4	Review of the Company'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.	Code Principle D, Code Provision 3
10.6	Authorising conflicts of interest where permitted by the Company's articles of association.	CA06 s177
11.	<b>POLICIES AND STATEMENTS</b>	
11.1	Approval of material policies and statements, including: (a) code of conduct; (b) share dealing code; (c) bribery prevention policy; (d) whistleblowing policy; (e) human resources policy; (f) communications policy including procedures for the release of price sensitive information; (g) charitable donations policy; (h) modern slavery statement; and (i) UK tax strategy statement.	Code Principle C
11.2	Adoption of (or making a material amendment or variation to) the Company's major policies on the conduct of its business,	

	environmental, health and safety, insurance and risk management, treasury (including, for the avoidance of doubt, interest rate and foreign exchange and financial derivatives) and employment law issues.	
12.	<b>OTHER</b>	
12.1	The making of political donations.	
12.2	Approval of the appointment of the Company's principal professional advisers.	
12.3	Prosecution, commencement, defence or settlement of litigation or an alternative dispute resolution mechanism involving above £100,000 or being otherwise material to the interests of the Company.	
12.4	Approval of the overall levels of insurance for the Company including Directors' & Officers' liability insurance and indemnification of directors.	
12.5	Major changes to the rules of the Company's pension scheme, or changes of trustees or, when this is subject to the approval of the Company, changes in the fund management arrangements.	
12.6	Any decision likely to have a material impact on the Company from any perspective, including, but not limited to, financial, operational, strategic or reputational.	
12.7	This schedule of matters reserved for Board decisions.	

**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 Company.
3. The Board shall review this list of Matters Reserved at least annually. This list shall be placed on the corporate governance section of Softcat's website.

**Approved by the Board of Softcat plc on 10 July 2019**

**Luke Thomas**  
**Company Secretary, Softcat plc**