

## **SIRIUS MINERALS PLC**

### **SCHEDULE OF MATTERS RESERVED TO BOARD**

(Approved by the Board of Sirius Minerals Plc on 13 December 2018)

#### **Strategy and management**

1. Responsibility for the overall leadership of the Group, establishing the Group's purpose, values and strategy and ensuring that these and its culture are aligned.
2. Assessment and monitoring of culture for alignment with the Company's purpose and values.
3. Ensuring the necessary resources are in place for the Company to meet its objectives and measuring performance against them.
4. Approval of the annual operating and capital expenditure budgets and any material changes to them.
5. Oversight of the Group's operations ensuring:
  - competent and prudent management;
  - sound planning;
  - an adequate system of internal control;
  - adequate accounting and other records;
  - compliance with statutory and regulatory obligations.
6. Review of performance in light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
7. Extension of the Group's activities into new business or geographic areas.
8. Any decision to cease to operate all or any material part of the Group's business.

#### **Capital and Structure**

9. Changes to the Group's capital structure (including reduction of capital, share issues (except under employee share plans), share buy backs including use of treasury shares).
10. Major changes to the Group's corporate structure.
11. Changes to the Group's listing or its status as a public limited company (plc).
12. Changes to the Group's management and control structure.
13. Recommendations for the alteration of the articles of association of the Group.

14. Recommendations for the alteration of the registered office and the name of the Group.

#### **Board, Committee and other Appointments**

15. Changes to the structure, size and composition of the board following recommendations from the Nominations Committee.
16. Appointments to the board following recommendations by the Nominations Committee.
17. Selection of the chairman of the board and the chief executive.
18. Appointment of one of the independent non-executive directors to be the senior independent director.
19. Succession planning for appointments to the board and to senior management.
20. Appointment and removal of the company secretary.
21. Setting or variation of senior management authority levels.
22. Establishing remuneration, nomination, audit and disclosure committees and determining the membership and chairmanship of such committees.
23. 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.
24. 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 Group, subject to the law and their service contract.
25. Decisions as to the appointment, re-appointment and removal of external auditors before such proposals are put to the shareholders for approval in general meeting, following the recommendation of the Audit Committee.
26. Appointments to the boards of subsidiaries.

#### **Remuneration, employee benefits and employee issues**

27. Determining the remuneration policy for the directors, company secretary and other senior management (the responsibility for determining the remuneration policy for executive directors is delegated to the Remuneration Committee).
28. Determining the remuneration of the non-executive directors (responsibility for setting remuneration for the Chairman of the Board is delegated to the Remuneration Committee), subject to the articles of association and shareholder approval.
29. The introduction of or amendment (or recommendations for the amendment) to the share option and employee share schemes of the Group.
30. A material amendment of any pension scheme(s) of the Group, or changes of trustees or, when this is subject to the approval of the Group, changes in the fund management arrangements.

31. Oversight of the whistleblowing policy and ensuring individuals are encouraged to raise concerns as part of an ethical and supportive business culture.
32. Determining which aspects of diversity are important in the context of the business and its needs.

### **Financial and Annual Reporting**

33. Explanation of the Group's business model and strategy for delivering the objectives of the Group.
34. Approval of statements containing financial information, including the half-yearly report and any preliminary announcement of the final results.
35. Preparation and approval of the strategic report, the directors' report and the corporate governance statement in accordance with sections 414A to 419A of the Companies Act 2006, the Listing Rules and the Disclosure Guidance and Transparency Rules (**DTRs**).
36. Preparation and approval of the directors' remuneration report in accordance with sections 420 to 422A of the Companies Act 2006 and the Listing Rules.
37. Approval of annual and interim accounts of the Group.
38. Approval of the annual budget, capital expenditure, estimates and forecasts, including profit, dividend or other forecasts made public.
39. Approval of material unbudgeted capital or operating expenditure (outside pre-determined tolerances).
40. Approval of the dividend policy.
41. The declaration of interim dividends, the recommendation of final dividends and the making of any other distributions.
42. Approval of any significant changes in accounting policies or practices.
43. Recommendations for the alteration of the Group's accounting reference date.

### **Communication to Shareholders**

44. Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
45. Making arrangements for dialogue with shareholders and canvassing shareholder opinion based on the mutual understanding of objectives.
46. Approval of all circulars and prospectuses and listing particulars.
47. Approval of all press releases concerning matters decided by the board.

### **Contracts**

48. Transactions of the Group or its subsidiaries that are material strategically or by reason of size. For these purposes **material** means transactions which fall into the following categories. In the case of

items (a) to (d) the terms are as defined in the Listing Rules issued by the Financial Conduct Authority:

- (a) reverse takeovers;
- (b) class 1 transaction;
- (c) class 2 transaction;
- (d) related party transactions;
- (e) the issue of shares or any class of listed security excluding share options;
- (f) any transaction involving an activity of a type not previously carried on by the Group; and
- (g) a takeover bid subject to the Takeover Code.

- 49. Investments and capital projects valued at £1 million or more.
- 50. Approval of major capital projects, valued at £1 million or more and oversight over the execution and delivery.
- 51. The entering into of any indemnities or guarantees where the maximum amounts payable could in aggregate exceed valued at £1 million or more or any banking facilities (including any indemnities, guarantees or facilities in substitution for or renewal of existing arrangements).
- 52. 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 Group.
- 53. Issue of any debt instruments for amounts in excess of valued at £1 million or more including bond issues, debenture issues and loan stock instruments.
- 54. Any contract which requires the Board's approval in accordance with the Sirius Group Statement of Authorities in place from time to time.

#### **Corporate Governance**

- 55. Overall review of corporate governance arrangements.
- 56. Undertaking formal and rigorous annual review of the board, its committees and directors.
- 57. Determining whether each non-executive director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could affect, the director's judgement.
- 58. Considering the balance of interests between shareholders, employees, customers and the community in all decision-making, with each director complying with his or her duties under section 172 of the Companies Act 2006.
- 59. Establishing an effective method for gathering the views of the Company's workforce.

60. Receiving reports on the views of the Group's shareholders and to ensure that they are communicated to the Board as a whole.
61. Identifying conflicts of interest and authorising these where permitted by the Group's articles of association.
62. Approval of additional external appointments of directors.

#### **Internal Control**

63. Determining the nature and extent of the significant risks it is willing to take in achieving its long-term strategic objectives and setting and maintaining appropriate policies on risk management and internal control so as to ensure the effectiveness of the Group's systems of risk management and internal control. "Internal control" shall comprise all material controls, including financial, operational and compliance controls and risk management systems.
64. Approving the Group's risk appetite statements.
65. Approving procedures for the detection of fraud and the prevention of bribery.
66. Monitoring, receiving reports on, and, at least annually, reviewing the effectiveness of the Group's system of Internal Control to support its strategy and objectives.
67. Approving the statement, for inclusion in the annual report, in relation to risk management and internal control.

#### **Delegation of authority**

68. Establishing board committees and approval and amendment of the terms of reference of the committees of the board.
69. Determining the division of responsibilities between the chairman of the board and the chief executive, which should be set out in writing.
70. Receiving reports from board committees on their activities.

#### **Policies**

71. Adopting and maintaining policies including:
  - treasury policies (including foreign exchange exposure);
  - a share dealing code;
  - a bribery prevention policy;
  - a whistleblowing policy;
  - a code of conduct;
  - a policy on corporate social responsibility;

- a health and safety policy;
- a human resources policy;
- a policy regarding political or charitable contributions;
- a disclosure and inside information policy; and
- diversity policy.

72. Ensuring that workforce policies and practices are consistent with the Company's values and support its long-term sustainable success.

**Other**

73. The making of any political donations.

74. Approval of the appointment of the Group's principal professional advisers.

75. Arranging and approving insurance cover, including directors' and officers' liability insurance and indemnification of directors.

76. Any litigation or arbitration proceedings with a potential liability of £1 million or more or otherwise being material to the interests of the Group.

77. This schedule of matters reserved for board decisions.

78. Any decision likely to have a material impact on the Group from any perspective.

79. Any other matter requiring the convening of a general meeting of shareholders or any class of shareholders, including, but not limited to, financial, operational, strategic or reputational.

Once a decision in principle has been taken by the board on any matter referred to in this Schedule, the board shall identify any documents relating to such matter which will require multiple board signatures and shall agree the procedure to be followed when any decisions are required between board meetings. Subject to these issues, implementation of the matter can be delegated to a committee of the board.