



WATCHES OF SWITZERLAND GROUP PLC

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# SCHEDULE OF MATTERS RESERVED FOR THE BOARD

MAY 2023

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## SCHEDULE OF MATTERS RESERVED FOR THE BOARD

The following schedule, approved by the board of directors of Watches of Switzerland Group PLC (the "Board") on 6 May 2021 and subsequently amended on 4 May 2023 identifies those matters reserved to the Board. The Board may delegate specific authorities to committees, but such delegation and their terms of reference must be approved by the Board. In addition, the Chief Executive Officer will provide annually for overview by the Board a schedule of authorities and delegated authorities for matters not reserved for the Board.

### THE CORPORATE GOVERNANCE CODE 2018

A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.

All directors must act with integrity, lead by example and promote the desired culture.

The Board will meet regularly in order to discharge its duties effectively and will allow adequate time for consideration of all the issues falling within its remit.

### SCHEDULE OF MATTERS RESERVED FOR THE BOARD

#### 1 Strategy and management

- 1.1 The overall leadership of the Company.
- 1.2 1.2 Approval of the Group's Purpose, Values and strategy and satisfy itself that these and its culture are aligned.
- 1.3 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 1.4 Oversight of the Group's operations.
- 1.5 Review of performance in the light of the Group's Purpose, Values and strategy, business plans and budgets and ensuring that any necessary corrective action is taken.

1.6 Extension of the Group's activities into new business or geographic areas.

1.7 Any decision to cease to operate all or any material part of the Group's business.

#### 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 buy backs.

2.2 Major changes to the Group's corporate structure, including, but not limited to acquisitions and disposals of shares which are material relative to the size of the group in question (taking into account initial and deferred consideration).

2.3 Changes to the Group's management and control structure.

2.4 Any changes to the Company's listing or its status as a public limited company.

#### 3 Financial reporting and controls

3.1 Establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.

3.2 Approval of the half-yearly report, interim management statements, the preliminary announcement of the final results and any release to the Regulatory News Service relating to trading.

3.3 Approval of the annual report and accounts.

3.4 Approval of the dividend policy.

3.5 Declaration of the interim dividend and recommendation of the final dividend.

3.6 Approval of any significant changes in accounting policies or practices.

3.8 Approval of material unbudgeted capital or operating expenditures (outside pre-determined tolerances).

#### **4 Internal controls**

- 4.1 Establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives.
- 4.2 Approving the Group's risk appetite statements.
- 4.3 Receiving reports on, and reviewing the effectiveness of, the group's risk and control processes to support its strategy and objectives.
- 4.4 Approving procedures for the detection of fraud and the prevention of bribery and modern slavery.
- 4.5 Undertaking an annual assessment of these processes.
- 4.6 Approving an appropriate statement for inclusion in the annual report and accounts.

#### **5 Contracts**

- 5.1 Approval of major capital projects in excess of £5 million.
- 5.2 Approval of any project which commits the Group to a future rent commitment of over £10million (excluding renewals of existing leases).
- 5.3 Contracts which are material strategically or by reason of size, entered into by the Company in the ordinary course of business, for example bank borrowings above £20 million and acquisitions or disposals of fixed assets (including intangible assets such as intellectual property) above £5 million.
- 5.4 Contracts of the Company or any subsidiary not in the ordinary course of business, for example loans and repayments above £5 million; foreign currency transactions above £5 million; major acquisitions or disposals above £5 million.
- 5.5 Approval of any M&A activity to take place by way of share purchase (irrespective of value).
- 5.4 Major investments.
- 5.5 Approval of the contracts detailed in sections 5.2-5.4 (other than major acquisitions or disposals) may be covered through the annual budget approval process.

#### **6 Stakeholder engagement**

- 6.1 Ensure effective engagement with, and encourage participation from stakeholders.
- 6.2 Ensure the annual report and accounts describes how stakeholder's interests and the matters set out in section 172 of the Companies Act 2006 have been considered in Board discussions and decision-making.

- 6.3 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 6.4 Approval of all circulars, prospectuses and listing particulars.
- 6.5 Approval of press releases concerning matters decided by the Board.

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

- 7.1 Ensure that the Board and its committees has a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed.
- 7.2 Establish a Nomination Committee to lead the process for appointments, ensure plans are in place for orderly succession to both the Board and senior management positions, and oversee the development of a diverse pipeline for succession.
- 7.3 Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.
- 7.4 Selection of the Chair of the Board and the Chief Executive Officer and all appointments to the Board, following recommendations by the Nomination Committee.
- 7.5 Appointment of the Senior Independent Director to provide a sounding board for the Chair of the Board and to serve as intermediary for the other directors when necessary.
- 7.6 Membership and chairs of Board committees following recommendations from the Nomination Committee.
- 7.7 Appointment or removal of the Company Secretary.
- 7.8 Appointment, reappointment or removal of the External Auditor to be put to shareholders for approval in general meeting, following the recommendation of the Audit & Risk Committee.
- 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.
- 7.10 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.

## 8 Remuneration

- 8.1 Establish a Remuneration Committee of independent non-executive directors, with a minimum membership of three.
- 8.2 Determining the remuneration of the Non-Executive Directors, subject to the Articles of Association and shareholder approval as appropriate.
- 8.3 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.

## 9 Delegation of authority

- 9.1 The division of responsibilities between the Chair of the Board, the Chief Executive Officer which should be clearly established.
- 9.2 Approval of the Delegated Levels of Authority, including the Chief Executive Officer's authority limits. In addition, the Chief Executive Officer will provide annually for overview by the Board a schedule of authorities and delegated authorities limits below that of the Chief Executive.
- 9.3 Establishing Board committees and approving their terms of reference, and approving material changes thereto.

## 10 Corporate governance matters

- 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. Reviewing its composition, diversity and looking at how effectively members work together to achieve objectives
- 10.2 Determining the independence of non-executive directors in light of their character, judgment and relationships.
- 10.3 Review of the group's overall corporate governance arrangements.
- 10.4 Receiving reports on the views of the company's stakeholders to ensure that they are communicated to the Board as a whole.
- 10.5 Authorising conflicts of interest, where permitted by the Company's articles of association.
- 10.6 The Board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.

## 11 Policies

- 11.1 Ensure that a policies and practices are applicable to colleagues and consistent with the Company's Purpose, values, and support its long-term sustainable success. All colleagues should be able to raise any matters of concern.
- 11.2 Approval of policies, including:
  - Conflicts of Interest policies and procedures
  - Related Party Transactions Policy
  - Audit and Non-Audit Services Policy
  - Delegated Authorities and Signatories
  - Anti-Bribery, Corruption and Fraud Policy
  - Modern Slavery Statement, which encompasses Human Rights
  - Whistleblowing Policy
  - Board Diversity Policy
  - Code of Ethics
  - Share Dealing Policy

## 12 Other

- 12.1 The making of political donations.
- 12.2 Approval of the appointment of the group's principal professional advisers.
- 12.3 Prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism involving above £2 million or being otherwise material to the interests of the group.
- 12.4 Approval of the overall levels of insurance for the Group including directors' & officers' liability insurance and indemnification of directors.
- 12.5 Any decision likely to have a material impact on the Group from any perspective, including, but not limited to, financial, operational, strategic or reputational.
- 12.6 This schedule of matters reserved for board decisions.

Approved by the Board of Watches of Switzerland Group PLC on 4 May 2023