

## **MATTERS RESERVED TO THE BOARD**

### **NETCALL PLC**

#### **1. Strategy and Management**

- 1.1 Responsibility for the overall leadership of the Company and setting the Group's values and standards.
- 1.2 Approval of the Group's long-term strategic aims and objectives, and commercial strategy.
- 1.3 Approval of the annual operating and capital expenditure budgets, profit forecasts and business plan, and any material changes to them.
- 1.4 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;
  - levels of management responsibility; and
  - compliance with statutory and regulatory obligations.
- 1.5 Review of performance in the light of the Group's strategic aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.6 Approval of a material extension of the Group's activities into new business or geographic areas, including acquisitions.
- 1.7 Any decision to cease to operate all or any material part or segment of the Group's business.

#### **2. Structure and Capital**

- 2.1 Changes relating to the Company's capital structure including reduction of capital, share issues (except under employee share plans) and share buybacks including the use of treasury shares.
- 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 (taking-into-account initial and deferred consideration).
- 2.3 Material changes to the Group's management and control structure.
- 2.4 Any changes to the Company's listing or its status as a public listed company.

#### **3. Financial Reporting and Controls**

- 3.1 Approval of the interim and final results, including any preliminary results.

- 3.2 Approval of the annual report and accounts, including the corporate governance statement and directors' remuneration report and related shareholder documentation.
- 3.3 Approval of the dividend policy.
- 3.4 Declaration of the interim dividend and recommendation of the final dividend.
- 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 material unbudgeted capital or operating expenditure (outside pre-determined tolerances).
- 3.8 Approval of any treasury and tax policies, including interest rates, exchange rate exposure and use of financial derivatives.

#### **4. Internal Controls**

Ensuring maintenance of a sound system of internal control and risk management including:

- approving the Company's/Group's risk assessments;
- receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives;
- approving procedures for the detection of fraud and the prevention of bribery;
- undertaking an annual assessment of these processes; and
- approving an appropriate statement for inclusion in the annual report.

#### **5. Contracts**

Approval of:

- major capital projects and oversight over execution and delivery.
- contracts which are material strategically or by reason of size, entered into by the Company or, in the case of a subsidiary, recommendations for approval in the ordinary course of business, for example bank borrowings above £500,000 and acquisitions or disposals of fixed assets (including intangible assets such as intellectual property) above £500,000.
- contracts of the Company or any subsidiary not in the ordinary course of business, for example loans and repayments above £500,000, foreign currency transactions above £500,000 and major acquisitions or disposals above £500,000.
- Major investments including the acquisition or disposal of interests of more than 3% in the voting shares of any company or the making of any takeover offer.

#### **6. Communication**

- 6.1 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.

- 6.2 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 6.3 Approval of all circulars, prospectuses and listing particulars
- 6.4 Approval of press releases concerning matters decided by the Board.
- 6.5 Making of any trade statement or other price-sensitive announcement to the Stock Exchange.
- 6.6 All London Stock Exchange notifications other than those for routine matters.

## **7. Board Membership and Other Appointments**

- 7.1 Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.
- 7.2 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.
- 7.3 Appointments to, or removals from, the Board, following recommendations by the Nomination Committee.
- 7.4 Selection of the Chair of the Board and the Chief Executive.
- 7.5 When appropriate and feasible recommend the appointment of a senior independent director to provide a sounding board for the Chair and to serve as an intermediary for the other directors when necessary.
- 7.6 Approval of Terms of Reference and membership and chairmanship of Board committees following recommendations from the Nomination Committee, and any material changes thereto.
- 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.
- 7.8 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.
- 7.9 Appointment or removal of the company secretary.
- 7.10 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.
- 7.11 Appointments to the boards of subsidiaries.
- 7.12 Carrying out a performance evaluation of the Board, its committees and individual directors.

## **8. Remuneration**

- 8.1 Determining, by utilisation of the Remuneration Committee, the remuneration policy for the directors, company secretary and other senior executives and setting the individual remuneration of directors, the company secretary and other senior executives.
- 8.2 Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.
- 8.3 In consultation with, and subject to the recommendation of, the Remuneration Committee, the funding and governance of, and significant changes to, employee share schemes and material employee benefit schemes, or the introduction of new share incentive plans, to be put to shareholders for approval.
- 8.4 Remuneration of the auditors and recommendations for appointment or removal of auditors in each case as proposed by the Audit Committee.

## **9. Delegation of Authority**

- 9.1 The division of responsibilities between the Chair, the Chief Executive and the Chief Financial Officer, which should be clearly established and agreed by the Board.
- 9.2 Approval of the delegated levels of authority, including the authority limits of the Chief Executive and the Chief Financial Officer, which must be in writing.
- 9.3 Establishing Board committees and approving their terms of reference, and approving any material changes thereto.
- 9.4 Receiving reports from Board committees on their activities.

## **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.
- 10.2 Determining the independence of non-executive directors in light of their character, judgement and relationships.
- 10.3 Considering the balance of interests between shareholders, employees, customers and the community.
- 10.4 Review of the Group'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.
- 10.6 Authorising conflicts of interest where permitted by the Company's articles of association.

## **11. Policies**

Approval of, and any amendment to, any existing policies, including, but not limited to:

- Code of Conduct;
- Share Dealing Policy;
- Purchasing Policy;
- Anti-bribery and Corruption Policy;
- Whistleblowing Policy;
- Health and Safety Policy;
- Equality, Diversity and Inclusion Policy;
- Communications Policy;
- Enterprise Risk Management Policy;
- Environmental, Social and Governance Policy;
- Modern Slavery and Human Trafficking Policy; and
- Charitable Donations Policy,

or the implementation of any material new policy.

## **12. Miscellaneous/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 involving a claim or series of related claims, or an alternative dispute resolution mechanism, exceeding £250,000, or being otherwise material to the interests of the Group.
- 12.4 Approval of the overall levels of insurance for the Group including directors' and officers' liability insurance and indemnification of directors.
- 12.5 Major changes to the rules of the Group'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 or the Group from any perspective, including but not limited to, financial, operational, strategic or reputational.
- 12.7 This schedule of Matters Reserved for Board decisions.

This schedule identifies those matters reserved to the Board. Matters, or specific authorities, which the Board considers suitable for delegation to its committees, are contained in the Terms of Reference of the respective committees.

In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.

**Notes:**

- 1 Main operating companies are:  
  
Netcall Technology Limited (formerly Netcall Telecom Limited)  
Netcall Systems Limited (formerly MatsSoft Limited)  
Govtech Solutions Limited  
Skore Labs Limited  
Smart & Easy NV
  
- 2 CEO and CFO will have the delegated authority of the Board to confirm the appointment of directors to subsidiary companies other than those listed in 1 above. Any changes to directorships of such companies will be reported to the Board.