

Topps Tiles Plc – Matters Reserved for the Board

1. Introduction

This document sets out the powers reserved for the full Board of directors (the "**Board**") of Topps Tiles Plc (the "**Company**") and not delegated to the Company's executive directors. The list contains some matters which the Board cannot, as a matter of law, delegate (denoted by asterisks (*)). The Board may, as it thinks fit, appoint committees to exercise certain of its powers. Specific areas of delegation are set out in the Terms of Reference for the Audit Committee, Nomination and Governance Committee, and the Remuneration Committee of the Company, although the final decision on these matters is required to be taken by the whole Board.

2. Strategy and management

2.1 Responsibility for the overall leadership and management of the Company and its subsidiaries and subsidiary undertakings (together the "**Group**") and setting the Group's values and standards.

2.2 Approval of the Group's strategic aims and objectives.

2.3 Approvals of the annual operating and capital expenditure budgets and any material changes to them.

2.4 Oversight of the Group's operations ensuring:

- (a) competent and prudent management;
- (b) sound planning;
- (c) maintenance of sound management and internal control systems;
- (d) adequate accounting and other records; and
- (e) compliance with statutory and regulatory obligations.

2.5 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.

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

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

2.8 Consider significant, critical personnel issues.

2.9 Approval of the annual business plan.

2.10 To approve:

- (a) the formation, acquisition, divestment, liquidation or the cessation of operations of a company (including a joint venture company) or other assets or liabilities; and
- (b) any investment or capital projects or other transactions, in each case where such transaction constitutes a class transaction under the Listing Rules of the UK Financial Conduct Authority.

3. Structure and capital

3.1 Changes relating to the Group's capital structure including, but not limited to, reductions of capital, share issues (except under employee share plans), and share buy backs including the use of treasury shares.

3.2 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).

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

3.4 Any changes to the Company's listing or its status as a Plc.

4. Financial reporting and controls

4.1 The Committee shall meet at least twice a year and otherwise as required. *Approval of the half-yearly report, and any interim management statements or preliminary announcement of the final results.

4.2 *Approval of the annual report and accounts, including the corporate governance statement and directors' remuneration report.

4.3 *Approval of the dividend policy

4.4 *Declaration of the interim dividend and recommendation of the final dividend.

4.5 *Approval of any significant changes in accounting policies or practices which the auditors have advised are a material change.

4.6 Approval of treasury policies including foreign currency exposure and the use of financial derivatives.

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

4.8 Receive and review the reports from the Audit Committee.

4.9 Receive a regular post investment review covering all major items of capex, or discrete projects.

5. Internal controls

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

- (a) determining the appropriate level of risk appetite for the Group;
- (b) receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives;
- (c) undertaking an annual assessment of these processes; and
- (d) approving an appropriate statement for inclusion in the annual report.

6. Treasury items

Approval of the Group's Treasury Policy on an annual basis, to include but not limited to any proposal for any financing for or lending to the Group, any loan stock, guarantees, security, guarantee, suretyship, indemnity, counter indemnity, bonding liability, letter of comfort or support or similar obligation to any third party or any member of the Group.

7. Contracts

7.1 Approval of major projects involving material capital expenditure.

7.2 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 and acquisitions or disposals of fixed assets (including intangible assets such as intellectual property)

7.3 Contracts of the Company or any subsidiary not in the ordinary course of business, for example material loans and repayments foreign currency transactions and major acquisitions or disposals.

7.4 Major investments including any merger, acquisition, or disposal of a Group business.

8. Communication

8.1 Ensuring a satisfactory dialogue with Shareholders based on the mutual understanding of objectives.

8.2 Approval of resolutions and corresponding documentation to be put forward to Shareholders at a general meeting.

8.3 *Approval of all circulars, prospectuses and listing particulars.

8.4 *Approval of press releases concerning matters decided by the Board.

8.5 Statements regarding the Company's future prospects.

8.6 Approval of any non-routine matters relating to the Company's listing, including the issue of any non-routine market announcements. For clarity, the approval of routine documents such as periodic circulars about scrip dividend procedures or exercise of conversion rights could be delegated to a committee.

9. Board membership and other appointments

9.1 *Changes to the structure, size and composition of the Board.

9.2 *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.

9.3 *Appointments to, and resignations from, the Board.

9.4 *Selection of the chair of the Board and the chief executive.

9.5 *Membership and chairship of Board committees.

9.6 *Appointment of a senior independent director to provide a sounding Board for the chair and to serve as intermediary for the other directors when necessary.

9.7 *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 annual general meeting and otherwise as appropriate.

9.8 *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.

9.9 *Appointment or removal of the company secretary.

9.10 *Appointment, reappointment or removal of the external auditor to be put to Shareholders for approval at a general meeting, following the recommendation of the audit committee.

9.11 Appointments to Boards of subsidiaries.

9.12 Appointment or removal of any member of the Executive team.

9.13 Receive and review reports from the Nomination and Governance Committee.

10. Remuneration

10.1 Determining the remuneration policy for the directors, Executive team and company secretary.

10.2 Determining the remuneration of the non-executive directors, subject to the articles of association and Shareholder approval as appropriate.

10.3 *The introduction of new share incentive plans or major changes to existing plans, to be put to Shareholders for approval.

10.4 Receive and review the reports from the Remuneration Committee.

11. Delegation of authority

11.1 *The division of responsibilities between the chair, the chief executive and other executive directors, which should be clearly established, set out in writing and agreed by the Board.

11.2 Approval of the delegated levels of authority, including the chief executive's authority limits (which must be in writing).

11.3 *Establishing Board committees and establishing and approving their respective terms of reference and approving material changes thereto.

11.4 *Receiving reports from Board committees on their activities.

12. Corporate governance matters

12.1 *Undertaking a formal and rigorous annual review of its own performance, that of its committees and individual directors, and the division of responsibilities.

12.2 *Determining the independence of non-executive directors in light of their character,

judgment and relationships.

12.3 *Considering the balance of interests between Shareholders, employees, customers and the community.

12.4 *Review of the Group's overall corporate governance arrangements.

12.5 *Reviewing the Group's corporate governance disclosures annually.

12.6 Receiving reports on the views of the Company's Shareholders to ensure that they are communicated to the Board as a whole.

12.7 Authorising conflicts of interest where permitted by the Company's articles of association.

13. Policies

Approval of key policies, strategies and statements, including:

- (a) Code of Conduct;
- (b) Share dealing code;
- (c) Anti-Bribery and Corruption policy;
- (d) Whistleblowing policy;
- (e) Health and safety policy;
- (f) Environment and sustainability policy;
- (g) Diversity and Inclusion policy;
- (h) Group Sourcing Policy;
- (i) Charitable donations policy;
- (j) Modern Slavery Act statement; and
- (k) Tax Statement.

14. Other

14.1 The making of political donations.

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

14.3 Prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism involving material sums or being otherwise material to the interests of the Group.

14.4 Approval of the overall levels of insurance for the Group including directors' and officers' liability insurance.

14.5 Approval of any documentation under which directors are indemnified in their capacity as directors.

14.6 Major changes to the rules of the Group's pension scheme, or changes of trustees or changes in the fund management arrangements.

14.7 Any decision likely to have a material impact on the Company or Group from any perspective, including, but not limited to, financial, operational, strategic or reputational.

14.8 This schedule of matters reserved for Board decisions.

14.9 Matters which the Board considers suitable for delegation are contained in the terms of reference of its committees.

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

15. Urgent Business

15.1 Where a decision is required on any matter which is otherwise specifically reserved to the Board under this schedule of matters reserved for the Board before the next Board meeting, the matter shall be referred to the chair or, if the chair is not available, the senior independent director. The chair shall, where practicable, consult the chief executive and the senior independent director and shall decide whether the urgency of the matter genuinely justifies a decision before the next regular meeting of the Board and if so:

- (a) shall, if the urgency of the matter permits and the importance of the matter appears to him to justify doing so, either convene a special meeting of the Board or circulate a written resolution of the Board for approval by all Directors together with the information necessary to enable all Directors to form a considered judgement on the matter and on whether an urgent decision is justified; and
- (b) may, if the urgency of the matter so requires or if the importance of the matter appears to him not to justify a special meeting or consulting the full Board (having particular regard to whether he believes that any directors might oppose or would wish to express their views on the decision, having consulted such directors as he thinks fit), and provided that the matter concerned does not, under the articles of association or any other legal or formal requirement other than this resolution, require a resolution of the Board, decide the matter as an urgent issue.

15.2 A matter to be decided as an urgent issue may be approved if so agreed (whether formally or informally) by the chair (or in his absence the senior independent director) and the chief executive (or in his absence the chief financial officer) and any one other director acting unanimously, without the need for a meeting or any other formality other than a written record of the decision and of the directors approving it. In so acting those directors shall be a committee of the Board authorised to exercise any of the powers, authorities and discretions of the Board to the extent required by the urgency of the matter as determined by the chair. The chair and the committee shall report to the Board at its next meeting on the decision, the reasons for it and the reasons for taking the decision without consulting the Board.

Approved by the Board
18 July 2023