



A I R P A R T N E R

**AIR PARTNER PLC**  
**(the 'Company')**

**Schedule of Matters Reserved for the Board**

This schedule sets out the matters which must be considered or approved by the Company's board of directors (the "**Board**") and should be read in conjunction with the Articles of Association of the Company.

Matters which the Board considers suitable for delegation to its committees are contained in the terms of reference of such committees. The Board will receive reports and recommendations from its committees, and from individuals with relevant knowledge and expertise.

**1. PURPOSE, VALUES, CULTURE, STRATEGY AND MANAGEMENT**

- 1.1 Responsibility for the overall leadership of the Company and its subsidiaries (the "**Group**"), establishing the Company's purpose, values and standards, and satisfying itself that these are aligned with the Company's culture.
- 1.2 Approval of the Group's strategy and long-term objectives.
- 1.3 Ongoing assessment and monitoring of the Group's culture, including that policies, practices and procedures are aligned with the Group's purpose, values and strategy.
- 1.4 Approval of the annual operating and capital expenditure budgets, the Company's business plan and key performance indicators and any material changes to them.
- 1.5 Oversight of the Group's operations ensuring:
  - 1.5.1 competent and prudent management;
  - 1.5.2 sound planning;
  - 1.5.3 maintenance of sound management and internal control systems;
  - 1.5.4 adequate accounting and other records; and
  - 1.5.5 compliance with statutory and regulatory obligations.
- 1.6 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.
- 1.7 Extension of the Group's activities into new business or geographic areas.
- 1.8 Any decision to cease to operate all or any material part of the Group's business.

**2 COMMUNICATION AND STAKEHOLDERS MANAGEMENT**

- 2.1 Convening shareholders meetings, setting the agenda thereof and ensuring satisfactory dialogue with shareholders.
- 2.2 Approval of all resolutions and corresponding documentation to be put forward to shareholders at general meetings.

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- 2.3 Approval of all circulars, prospectuses and listing particulars.
- 2.4 Approval of press releases concerning matters decided by the Board.
- 2.5 Considering the balance of interests between shareholders, employees, customers, the community and other stakeholders.
- 2.6 Ensuring a satisfactory dialogue with shareholders and key stakeholders based on the mutual understanding of objectives and keeping stakeholder engagement mechanisms under review.
- 2.7 Determining and annually reviewing the workforce engagement method and engaging with employees through communication channels deemed appropriate by the Board.
- 2.8 Reviewing the Group's whistleblowing arrangements and reports arising from its operation.
- 2.9 Engaging with and keeping shareholders informed on any mitigating actions following a vote of 20% or more against any resolution put to shareholders at any annual general meeting or general meeting.
- 2.10 Receiving reports on the views of the Company's shareholders to ensure that they are communicated to the Board as a whole.

### **3 CORPORATE STRUCTURE AND CAPITAL**

- 3.1 Changes relating to the Group's capital structure including reduction of capital, share issues (except under previously approved employee share plans), 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 Changes to the Company's status as a public limited company, the listing of its shares, and the markets on which its securities are traded.

### **4 FINANCIAL REPORTING AND CONTROLS**

- 4.1 Approval of the half-yearly report, preliminary announcement of final results and any trading updates.
- 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.
- 4.6 Approval of treasury policies including foreign currency exposure and the use of financial derivatives.
- 4.7 Approval of capital or operating expenditure above £100k to the extent not approved in the annual budget.



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### 5 INTERNAL CONTROLS

Establishing procedures to manage risk and overseeing maintenance of a sound system of internal control including:

- 5.1 Approval of the Company/Group's risk appetite statements and assessing emerging and principal risks.
- 5.2 Receiving reports on, and reviewing the effectiveness of, the group's risk and control processes to support its strategy and objectives.
- 5.3 Approval of procedures for the detection of fraud and the prevention of bribery.
- 5.4 Undertaking an annual assessment of these processes and procedures.
- 5.5 Approval of an appropriate statement for inclusion in the annual report.

### 6 CONTRACTS

- 6.1 Approval of material contracts outside the course of normal business.
- 6.2 Approval of any acquisitions or disposals exceeding £200K.
- 6.3 Borrowing exceeding £2 million or the voluntary prepayment of any term debt exceeding £2 million.
- 6.4 Contracts which are material, either strategically or by reason of size (ie above £100k).
- 6.5 Major investments including the acquisition or disposal of interests of more than (5) percent in the voting shares of any company or the making of any takeover offer.
- 6.6 Any significant transaction, reverse takeover or related party transaction (each as defined in the Listing Rules issued by the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000).

### 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 Reviewing the talent pipeline in the Group and ensuring adequate succession planning for the Board and senior management, having also considered diversity, so as to maintain an appropriate balance of skills and experience within the Company and on the Board.
- 7.3 Appointments to the Board, following recommendations by the Nomination Committee.
- 7.4 Selection of the chair of the Board and the chief executive officer, following recommendations by the Nomination Committee
- 7.5 Appointment of the senior independent director following recommendation of the Nomination Committee.
- 7.6 Membership and chairmanship of Board committees following recommendations from the Nomination Committee.

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- 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 annual general meeting 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 Approval of the Audit Committee's recommendation for the tender of external auditors position.
- 7.11 Appointment, reappointment or removal of the external auditors to be put to shareholders' approval in a general meeting, following the recommendation of the Audit Committee.
- 7.12 Appointment to the boards of the Company's subsidiaries (delegated to the chief executive officer).

### **8 REMUNERATION**

- 8.1 Determining the remuneration policy for the directors, company secretary and other senior executives following the recommendation of the Remuneration Committee.
- 8.2 Determining the remuneration of the non-executive directors, subject to the Articles of Association and shareholders approval as appropriate.
- 8.3 The approval of any new share incentive plans or major changes to existing plans, to be put to shareholders for approval, following the recommendation of the Remuneration Committee.
- 8.4 Major changes to the rules of the Group's pension scheme.

### **9 DELEGATION OF AUTHORITY**

- 9.1 The division of responsibilities between the chair and the chief executive, which should be clearly established, set out in writing and agreed by the Board.
- 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.
- 9.4 Receiving reports from Board committees on their activities.

### **10 CORPORATE GOVERNANCE**

- 10.1 Undertaking a formal and rigorous annual review of the Board's own performance and that of its committees and each individual director, and of the division of responsibilities.



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- 10.2 Determining the independence of non-executive directors according to, amongst other things, the factors set out in the UK Corporate Governance Code as published by the Financial Reporting Council.
- 10.3 Review of the Group's overall corporate governance arrangements.
- 10.4 Identifying and managing conflicts of interest and authorising conflicts of interest where permitted by the Company's Articles of Association.
- 10.5 Recommendation to shareholders for the alteration of the Company's Articles of Association.

### 11 POLICIES

- 11.1 Ensuring workforce policies and practices are consistent with the Company's values and support its long-term success.
- 11.2 Approval of any relevant Group policies which might include:
  - 11.2.1 Code of conduct;
  - 11.2.2 Share dealing code;
  - 11.2.3 Bribery prevention policy;
  - 11.2.4 Whistleblowing policy;
  - 11.2.5 Health and safety policy;
  - 11.2.6 Environment and sustainability policy;
  - 11.2.7 Human resources policy;
  - 11.2.8 Communications policy including procedures for release of price- sensitive information;
  - 11.2.9 Corporate social responsibility policy; and
  - 11.2.10 Charitable donations policy.

### 12 OTHER

- 12.1 Approval of any 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 sums above £200k 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 Company or 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 on 4 December 2019