



**City of London Group
Board Schedule of matters
June 2018**

The following is a schedule of matters which are reserved to the COLG board for decision.

CITY OF LONDON GROUP PLC ("COLG" or "the Company")

SCHEDULE OF MATTERS RESERVED TO THE BOARD

The following is a schedule of matters which are reserved to the COLG board from time to time (the "board") for decision.

1. Strategy and management

1.1 Responsibility for the overall management of the Company and its subsidiary undertakings from time to time (the "Group").

1.2 Approval of the Group's long-term objectives and commercial strategy.

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 ensuring:

1.4.1 competent and prudent management

1.4.2 sound planning

1.4.3 maintenance and sound management of an adequate system of internal control

1.4.4 adequate accounting and other records and financial reporting policies and procedures

1.4.5 compliance with statutory and regulatory obligations.

1.5 Review of performance in the light of the Group's strategy, objectives, 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 Changing the nature of the Group's business to a material extent or the commencement of any new business by the Group which is not ancillary or incidental to its existing business.

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

1.9 Any proposal to wind up any member of the Group or other voluntary proceeding seeking liquidation, administration, reorganisation, readjustment or other relief under any bankruptcy, insolvency or similar law.

2. Structure and capital

2.1 Changes relating to the Group's capital structure including reductions of capital, share issues (except under employee share plans), and share buy backs including the use of treasury shares.

2.2 Creating, allotting or issuing any shares or other securities by any member of the Group (other than to another member of the Group) or granting any option or other right to require the allotment



or issue of any shares or other securities of any member of the Group (other than to another member of the Group).

2.3 Major changes to the Group's corporate structure.

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

2.5 Any changes to the Company's admission to trading on AIM or its status as a plc.

3. Financial reporting

3.1 Approval of the half-yearly report, and any preliminary announcement of the final results.

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

3.3 Approval of the dividend policy.

3.4 Declaration or payment of any interim dividend or distribution and recommendation of any 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.

4. Internal controls

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

4.1.1 approving the Group's risk appetite statements

4.1.2 receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives

4.1.3 approving procedures for the detection of fraud and prevention of bribery

4.1.4 undertaking an annual assessment of these processes

4.1.5 approving an appropriate statement for inclusion in the annual report.

5. Contracts

5.1 Approval of major capital projects by the Group and oversight of execution and delivery.

5.2 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 £100k and acquisitions or disposals of fixed assets above £100k (in each case in a single transaction or as a series of related transactions).

5.3 Contracts of the Company not in the ordinary course of business, for example loans and repayments above £50k; foreign currency transactions above £50k; major acquisitions or disposals above £50k.

5.4 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.



5.5 Making any acquisition or disposal by the Group of any material asset(s) otherwise than in the ordinary course of business.

5.6 Borrowing or raising money which would result in the Group's aggregate borrowing exceeding £75,000,000.

5.7 Creating or granting any encumbrance over the whole or any part of the business, undertaking or assets of the Group or over any Shares or agreeing to do so save, in each case, to the extent that such encumbrance is connected with borrowings which do not require approval under clause 5.6 above.

5.8 Approval of any guarantees, indemnities, letters of comfort or letters of support.

5.9 Delegation of any authority to any subsidiary of the Company is a matter reserved to the board.

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, admission documents and listing particulars.

6.4 Approval of media releases concerning matters decided by the board.

7. Board membership and other appointments

7.1 Changes to the structure, size and composition of the board.

7.2 Ensuring adequate succession planning for the board and senior management so as to maintain an appropriate balance of skill and experience.

7.3 Appointments to the board.

7.4 Selection of the board Chair and the chief executive.

7.5 Appointment of the senior independent director.

7.6 Selection of members and chairs of board committees

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 other than one director nominated by Max Barney Investments Limited, including the suspension or termination of service of an executive director as an employee of the Company, subject to the law and in terms of 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 boards of subsidiaries.

8. Remuneration

8.1 Determining the remuneration policy for the directors, company secretary and other senior executives, following recommendations of the remuneration committee.

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, following recommendations of the remuneration committee.

9. Delegation of authority

9.1 The division of responsibilities between the chair and the chief executive which should be in writing and agreed by the board.

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

9.3 Approval of terms of reference of board committees.

9.4 Receiving reports from board committees on their activities.

10. Corporate governance matters

10.1 Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors.

10.2 Determining the independence of non-executive directors.

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 and ensuring 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

11.1 Approval of policies, including:

- Code of Conduct
- Bribery prevention policy
- Whistleblowing policy
- Share dealing policy and inside information policy
- Health and safety policy

- Environmental and sustainability policy
- Communications policy
- Corporate social responsibility policy
- Charitable donations 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 amounts above £100k 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 Major changes to the rules or arrangements for the Group's pension scheme, or adoption of a new pension scheme.

12.6 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.

12.7 Amendments to this schedule of matters reserved to the board.

Matters which the board considers suitable for delegation are contained in the terms of reference of its committees. In addition, the board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.

Note:

If a matter needs to be considered urgently between scheduled board meetings a paper should be circulated as far in advance as possible and a telephone (or video) conference arranged to hold a board meeting. This should be timed so that as many directors as possible can attend. Any director who cannot attend should still be sent the relevant papers and have the opportunity to give their views to the chairman, another director or the company secretary before the meeting. If the matter is routine and discussion is not necessary the approval of all the directors may be obtained by means of a written resolution. In all cases, however, the procedures should balance the need for urgency with the overriding principle that each director should be given as much information as possible, the time to consider it properly and an opportunity to discuss the matter prior to the commitment of the company or other member of the Group.