

**Alfa Financial Software Holdings PLC**  
**Schedule of Matters Reserved for the Board**  
**(amended and adopted by the Board on 9 December 2020)**

The following are the matters which are specifically reserved for the board of directors of Alfa Financial Software Holdings PLC (the “**Company**”) (the “**Board**”).

The Board’s role is to provide entrepreneurial leadership within a framework of prudent and effective controls which enables risk to be assessed and managed. The matters on which the Board should be engaged include, amongst other things, setting the Company’s strategic aims, ensuring that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance. The Board should also set the Company’s values and standards and ensure that its obligations to its shareholders and others are understood and met. Without prejudice to that general rule, the Board has, in accordance with the UK Corporate Governance Code, specifically resolved that the following matters should be reserved for decision by it.

**1. Strategy and Management**

1.1 Responsibility for the overall management of the Company and its subsidiary undertakings (the “**Group**”).

1.2 Providing leadership and setting the values and standards of the Company and the Group.

1.3 Approval of the Group’s long-term business strategy and objectives and overall governance framework and ensuring that any necessary corrective action is taken.

1.4 Monitoring the delivery of the Group’s long-term business strategy and objectives.

1.5 Approval of the annual budgets and any material changes to them.

1.6 Oversight of the Group’s operations and reviewing on a regular basis performance in the light of the Group’s long term business strategy and objectives, ensuring competent and prudent management, sound planning, maintenance of sound management and internal controls systems, adequate accounting, record-keeping and compliance with statutory and regulatory obligations.

1.7 Approving any material extension of the Group’s activities into new business or geographic areas and any decision to cease to operate all or any material part of the Group’s business.

## **2. Structure and Capital**

- 2.1 Approval of major changes to the Group's capital structure.
- 2.2 Approval of share issues of the Company (except under employee share plans).
- 2.3 Major changes to the Group's corporate structure.
- 2.4 Approval of major changes to the Group's management and control structure.
- 2.5 Approval of any proposed alteration to the articles of association of the Company.
- 2.6 Any changes to the Company's listing, its status as a public limited company, or the markets on which its securities are traded.

## **3. Financial reporting and controls**

- 3.1 Approval of the Annual Report and Accounts, half-yearly report, interim management statements and any preliminary announcement of the final results.
- 3.2 Approval of the dividend policy.
- 3.3 Declaration of any interim or special dividend and recommendation of the final dividend for shareholder approval to be paid by the Company or of any distributions by the Company.
- 3.4 Approval of any material changes in accounting policies and practices.
- 3.5 Review and approval of the Group's annual financing plan (including a summary of the Group's projected financing and capital structure).
- 3.6 Approval of any expenditure not in the Group's approved business plan and beyond the delegated authority of the chief executive officer or board of the relevant member of the Group.
- 3.7 Approval of any treasury policies (including foreign currency exposure, the use of financial derivatives and other hedging strategies).

## **4. Internal controls and risk management**

- 4.1 Ensure maintenance of a sound system of internal control and risk management, including:
  - (a) approval of the Group's risk appetite (including the indemnification of directors);
  - (b) approval of the procedures for the detection of fraud and the prevention of bribery;

- (c) approving an appropriate statement for inclusion in the annual report; and
- (d) receiving reports on, and undertaking an annual assessment of and reviewing the effectiveness of, the Group's risk and control processes.

4.2 Making any major decision relating to the conduct (or settlement) of any material legal proceedings to which the Company or another member of the Group is a party.

4.3 Promoting an anti-corruption culture throughout the Group by the establishment and annual review of a code of conduct and anti-bribery policies and ensuring that these are briefed and understood by all employees.

## **5. Contracts and expenditure**

5.1 Approval of any investments and capital expenditure not included in a budget approved by the board and exceeding GBP 1,000,000, corporate actions or class 1, 2 or related party transactions as defined by the Listing Rules.

5.2 Approval of any takeover offer for another company as defined in the City Code on Takeovers and Mergers.

5.3 Approval of any acquisition or disposal (whether in a single transaction or series of related transactions) of companies or businesses not within the City Code on Takeovers and Mergers involving consideration of over GBP 25,000,000 and which is not included in a budget approved by the board.

5.4 Approval of any joint venture and material arrangements or contracts with customers or suppliers or other third parties which are material strategically or by reason of size.

5.5 Approval of new material borrowing facilities.

5.6 Approval of any loans to any non-Group companies and the extension of credit significantly beyond contractual terms.

5.7 Approval of any increase, or significant variation in the terms (other than arising from changes in interest rates) of the borrowing facilities available to the Company, provided that the Chief Executive Officer and Chief Financial Officer may jointly approve any immaterial increases, variations or additional facilities.

5.8 Approval of all new parent company guarantees, bank guarantees or other security given by the Group not in the ordinary course of business or in excess of GBP 10,000,000.

5.9 Approval of any expenditure not in the Group's approved business plan and beyond the delegated authority of the Chief Executive Officer.

## **6. Communications**

6.1 Convening general meetings of the Company and approval of resolutions and related documentation to be put forward to shareholders at a general meeting.

6.2 Approval of all circulars, prospectuses and listing particulars.

6.3 Approval of press releases concerning significant matters decided by the board.

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

7.1 Approval of 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 of the Group (taking account of recommendations of the nomination committee where appropriate).

7.3 Making appointments to the board, following recommendations of the nomination committee.

7.4 Selecting the Chairman and the Chief Executive Officer.

7.5 Appointing the Senior Independent Director.

7.6 Determination of the membership and chairship of board committees and approval of any amendments thereto, following recommendations from the nomination committee.

7.7 Making decisions about the continuation in office of a director at the end their term of office, when a director should be re-elected by shareholders at the annual general meeting and otherwise as appropriate.

7.8 Making decisions about the continuation in office of a 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 his or her service contract.

7.9 Appointing or removing the Company Secretary.

7.10 Making recommendations to shareholders about the appointment, reappointment or removal of the external auditor, following the recommendation of the audit and risk committee.

7.11 Appointing directors of other members of the Group.

7.12 Appointing other senior managers of the Company of the Group.

7.13 Approval of any conflicts of interest in relation to directors.

## **8. Remuneration**

8.1 On the recommendation of the remuneration committee, determination of the remuneration policy for the executive directors, company secretary, other members of the executive board and other senior employees of the Company.

8.2 On the recommendation of the Chairman and the executive directors, determination of the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.

8.3 Approval of the introduction of new share incentive plans or new long-term incentive schemes or major changes to existing plans, to be put to shareholders for approval.

## **9. Delegation of Authority**

9.1 Approval of the division of responsibilities between the Chairman, the Chief Executive Officer and the responsibilities of the Senior Independent Director, which should be in writing.

9.2 Approval of the delegated authority limits, in respect of expenditure, investments and other matters as the board may determine, for the Chief Executive Officer, the Chief Financial Officer and any other executive directors.

9.3 Approval of the terms of reference of board committees and approving any amendments thereto, and receipting reports and recommendations from committees.

9.4 Granting powers of attorney by the Company.

## **10. Corporate Governance Matters**

10.1 Undertaking a formal and rigorous annual review of the Group's own performance, in terms of its overall corporate governance framework and the collective effectiveness of the board and that of its committees and individual directors.

10.2 Determination of the independence of non-executive directors in line with the UK Corporate Governance Code.

10.3 Receiving and considering the views of the Company's shareholders.

## **11. Policies**

11.1 Approval of policies including:

- (a) Memorandum on Disclosure and Control of Inside Information;
- (b) Code for Dealing in Securities of Alfa Financial Software Group PLC; and
- (c) Anti-Bribery and Corruption Policy.

11.2 Adoption of (or making a material amendment or variation to) the Group's major policies on the conduct of its business, environmental, health and safety, insurance and risk management, treasury (including, for the avoidance of doubt, interest rate and foreign exchange and financial derivatives) and employment law issues.

## **12. Other Matters**

12.1 Approval of major changes to the rules of the Group's pension scheme, or changes of trustees or in the fund management arrangements.

12.2 Approval of (or amendment to) this schedule of matters reserved for board decisions.

12.3 Prosecution, defence or settlement of litigation 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 the indemnification of directors.

12.5 Approval of any other matters required to be approved by the board under its articles of association, or any applicable law or regulation.

Matters which the board considers suitable for delegation are contained in the terms of reference of its committees and the board may constitute further committees if thought fit.

Adopted by the Board on 9 December 2020