

Saga plc (the Company)

Matters Reserved for the Board

This document sets out the matters reserved for the board of the Company (the **Board**). The list contains some matters which the Board cannot, as a matter of law, delegate. The Board may, however, establish committees as it thinks fit to exercise certain of its powers. Specific areas of delegation are set out in the terms of reference for the Remuneration Committee, the Nomination Committee, the Risk Committee and the Audit Committee of the Company as required by the UK Corporate Governance Code, although the final decision on these matters is required to be taken by the whole Board.

1. Strategy and Management

- 1.1 Responsibility for and providing the overall leadership and management of Saga plc and its subsidiary undertakings (the **Group**), including setting the Group's purpose, values, strategy and standards while satisfying itself that these and its culture are aligned.
- 1.2 Approval of the objectives, budgets and forecasts and strategic direction of the overall business and any material changes to them, and, once approved by the Board, ensuring their successful implementation.
- 1.3 Approval of the annual operating and capital expenditure budgets and any material changes to them, in accordance with the delegated authorities (the **Delegated Authorities**) in place.
- 1.4 Oversight of the Group's operations ensuring:
 - competent and prudent management;
 - sound planning and maintenance of sound management;
 - a sound system of internal control;
 - adequate accounting and other records; and
 - compliance with statutory and regulatory obligations.
- 1.5 Approval of the commencement of any new business activity which is materially different from that being undertaken by an existing part of the Group's business.
- 1.6 Approval of any material expansion or diversification of the Group's activities into any new geographic area where business is not currently undertaken.
- 1.7 Review of the performance of the business in light of the Group's strategic objectives, business plans and budgets ensuring that any necessary corrective action is taken.
- 1.8 Approval of any decision to cease to operate all or any material part of the Group's business.

2. Structure and Capital

- 2.1 Approval of changes relating to the Company's capital structure including reduction of capital, share (or other securities) issues and share buy backs (except under employee share plans) including the use of treasury shares.
- 2.2 Approval of major changes to the Group's corporate structure, including, but not limited to material (i.e. relative to the size of the Group) acquisitions and disposals of shares (taking into account initial and deferred consideration).
- 2.3 Approval of any major changes to the Group's management or control structures.
- 2.4 Approval of any issue of securities of a company in the Group to a person not a member of the Group, where such issue is material in the context of the Group.
- 2.5 Approval of any proposed alteration to the Articles of Association of the Company subject to the final approval of the Company's shareholders.
- 2.6 Approval of any borrowings by the Group other than in the normal course of business.
- 2.7 Approval of guarantees given by the Group other than in the normal course of business.
- 2.8 Approval of any changes to the Company's listing or the markets on which its securities are traded.

3. Financial Items

- 3.1 Approval of the half-yearly report and any preliminary announcement of the final results and the annual report and accounts including the strategic report, corporate governance statement and directors' remuneration report.
- 3.2 Approval of the dividend policy, declaration of interim dividend any and recommendation (subject to the approval of shareholders in a general meeting) of any final dividend to be paid by the Company or of any other distributions by the Company.
- 3.3 Approval of any material changes in accounting policies and practices.
- 3.4 Approval of treasury policies including interest rate and foreign currency exposure, the use of financial derivatives and segregation of duties.
- 3.5 Approval of material unbudgeted capital or operating expenditures (in accordance with the Delegated Authorities).
- 3.6 Approval of tax policies and strategy.
- 3.7 Approval of the recommendations of the Audit Committee, including but not limited to, any recommendation on any area within Audit Committee's remit (as per its terms of reference) where action or improvement is needed. Annual recommendations of the Audit Committee shall include:
 - recommendations for fair, balanced and understandable assessment of the Group's position and prospects, statement on the appropriateness of adopting the going concern basis of accounting and the viability statement; and
 - recommendations for the appointment, re-appointment or removal of the Group's external auditors to be put to shareholder approval.
- 3.8 Post investment reviews where not considered in detail by the Audit or Risk Committee or where the Board decide a full review is required.

4. Risk Management and Internal Controls

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

- approving the Group's risk appetite and Group Risk Policy;
- reviewing the processes and procedures to ensure business risks are properly identified;
- receiving Risk reports and satisfying itself that an annual assessment of these processes have been undertaken by the Company;
- carrying out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- approval of an appropriate statement for inclusion in the annual report to the effect that the annual report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy; and
- explaining in the annual report and accounts:
 - how the prospects of the Company have been assessed (and why such assessment period is appropriate); and
 - whether a reasonable expectation exists that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, drawing attention to any qualifications or assumptions as necessary.

4.2 Authorising the prosecution, commencement, defence or settlement of any legal (or similar) process or making any major decision relating to the conduct of any such process to which the Company or another member of the Group is a party where the potential liability or claim is in excess of £2,000,000 or materially affects the interests and the reputation of the Group.

4.3 Adopting (or making a material amendment or variation to) the Group's major policies on the conduct of business, environmental, health and safety, insurance and risk management, and employment law issues.

4.4 Approval of the recommendations of the Risk Committee, including but not limited to, any recommendation on any area within Risk Committee's remit (as per its terms of reference) where action or improvement is needed.

5. Contracts/Business Transactions

5.1 Approval of major capital projects, business transactions, corporate action or investment by the Company or another member of the Group which are material strategically or by reason of size, entered into by the Company or any subsidiary not in the ordinary course of business, or outside agreed Delegated Authorities.

5.2 Financing arrangements of any Group company, for example loans and repayments, guarantees, foreign currency transactions and derivative arrangements other than in the ordinary course of business.

5.3 Approval of any Class 1 or 2 transaction or related party transaction, as defined by the Listing Rules of the Financial Conduct Authority.

5.4 Approval of any takeover offer for another company subject to the City Code on Takeovers and Mergers.

- 5.5 Approval of any material joint venture and material arrangements with customers or suppliers.
- 5.6 Major investments (whether in a single transaction or a series of transactions) not subject to the City Code on Takeovers and Mergers by any member of the Group of:
- the acquisition or disposal of interests of more than 3 per cent in the voting shares of any company;
 - any business (or any material part of any business) with a value in excess of £2,000,000 or reputationally significant (matter defined as that is likely to generate significant and sustained publicity in the national press and online; material and long-term impact on the brand anticipated); and
 - any material asset with a value in excess of £2,000,000 (or reputationally significant).

6. Communication and Engagement with Stakeholders

- 6.1 Considering the views and interests of (and reviewing the effectiveness of engagement with) the Company's key stakeholders as set out in section 172 of the Companies Act 2006.
- 6.2 Ensuring that independent channels are available for colleagues to engage and to raise any matters of concern.
- 6.3 Receiving and considering the views of the Company's shareholders to ensure they are communicated to the Board as a whole.
- 6.4 Approval of the form and issue of circulars to shareholders of the Company and recommendations in respect of any matters or notices which may be submitted to holders of the Company's securities in accordance with statutory requirements or requirements of the Financial Conduct Authority or London Stock Exchange or the Company's Articles of Association.
- 6.5 Approval of Company announcements or press releases (i.e. to the Financial Conduct Authority or the London Stock Exchange) concerning matters decided by the Board other than standard notifications e.g. AGM results or change of director which will be sent to the Board for information prior to release.
- 6.6 Convening general meetings of the Company and ensuring a satisfactory dialogue with shareholders and encouraging their participation.
- 6.7 Approval of notices of general meetings of the Company and of resolutions and corresponding documentation to be put forward to the shareholders at a general meeting. When 20 per cent or more of votes have been cast against a resolution at any general meeting, the Company will explain when announcing the results of voting what actions it intends to take to consult shareholders in order to understand the reasons behind the vote result. An update on the views received from shareholders and actions taken will be published no later than six months after the shareholder meeting. The Board will then provide a final summary in the annual report and, if applicable, in the explanatory notes to resolutions at the next shareholder meeting, on what impact the feedback has had on the decisions the Board has taken and any actions or resolutions now proposed.

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. When making new appointments, the Board should take into account other demands on directors' time. Prior to appointment, significant commitments should be disclosed with an indication of the time involved. Additional external appointments should not be undertaken without prior approval of the Board, with the reasons for permitting significant appointments explained in the annual report. Full-time Executive Directors should not take on more than one non-executive directorship in a FTSE 100 company or other significant appointment.

- 7.2 Ensuring adequate succession planning for the Board and senior management so as to maintain appropriate balance of skills and experience within the Company (taking account of recommendations from the Nomination Committee where appropriate).
- 7.3 Following recommendations by the Nomination Committee:
- approve appointments to the Board;
 - select and appoint the Chairman of the Board and the Group Chief Executive Officer;
 - appoint the Senior Independent Director, who will sustain a strong relationship with the Chairman based on a mutual understanding of each other's roles and responsibilities .and serve as an intermediary for the other directors when necessary; and
 - approve membership and chairmanship of Board committees and approving any amendments thereto, following recommendations from the Nomination Committee.
- 7.4 Make decisions about the continuation in office of directors, ahead of their re-election by shareholders at the AGM at the end of their term of office and otherwise as appropriate.
- 7.5 Make decisions about the 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.
- 7.6 Approval of the recommendations of the Nomination Committee, including but not limited to, any recommendation on any area within Nomination Committee's remit (as per its terms of reference) where action or improvement is needed.
- 7.7 Ensuring that annual evaluation of the Board takes place and considers the Board's composition, diversity and how effectively members work together to achieve objectives. Individual evaluation shall demonstrate whether each director continues to contribute effectively.
- 7.8 Appointment or removal of the Company Secretary.

8. Remuneration

- 8.1 Determining and agreeing with the Remuneration Committee the policy for the remuneration of the Executive Directors, Company Secretary and other Senior Executives (as defined in the Remuneration Committee's terms of reference).
- 8.2 Determining the remuneration of the Executive Directors, subject to the Articles of Association.
- 8.3 Determining the remuneration of the Non-Executive Directors, subject to the Articles of Association.
- 8.4 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.
- 8.5 Approval of the recommendations of the Remuneration Committee, including but not limited to, any recommendation on any area within Remuneration Committee's remit (as per its terms of reference) where action or improvement is needed.

9. Delegation of Authority

- 9.1 Approval of the division of responsibilities between the Chairman, the Group Chief Executive Officer, Senior Independent Director and other executive directors, which should be clearly established, set out in writing and agreed by the Board.

- 9.2 Approval of the Group's Delegated Authorities.
- 9.3 Establishing Board committees and approving their terms of reference and material changes thereto.
- 9.4 Granting powers of attorney for the Company.

10. Corporate Governance Matters

- 10.1 Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors, and the division of responsibilities.
- 10.2 Determining the independence of the Non-Executive Directors in light of their character, judgment and relationships.
- 10.3 Reviewing the Group's overall corporate governance arrangements.
- 10.4 Approval of transactions with directors and other related parties and to authorise conflicts of interest where permitted by the Company's Articles of Association.

11. Miscellaneous

- 11.1 Approval of the making of political donations (subject to the approval of shareholders in a general meeting).
- 11.2 Being advised of and consulted on material interaction with regulators, including during any investigations.
- 11.3 Being advised of the overall levels of insurance for the Group including Directors' and Officers' liability insurance and indemnification of directors.
- 11.4 Approval of any other matters which are reserved for decision by the Board in accordance with the requirements of applicable law, regulation or pursuant to accepted best practice or under the Articles of Association of the Company.
- 11.5 Approval of the introduction or of major changes to the rules of the Group's pension scheme, or changes of trustees or, when this is subject to approval of the Company, changes in the fund management arrangements.
- 11.6 Approval of the appointment of the Company's principal financial and professional advisers in addition to the Company's external auditors (where the fee is expected to exceed £2,000,000).
- 11.7 Approval of 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.
- 11.8 Approval of matters reserved for Board decisions (at least annually) and policies listed in Schedule (A) (and any amendments).

Note: In addition to the specific areas of delegation mentioned above, the Board has delegated certain of its powers to the Remuneration Committee, the Nomination Committee, the Risk Committee and the Audit Committee in accordance with the Principles of Good Governance and Code of Best Practice contained in the UK Corporate Governance Code.

Approved by the Board on 20 September 2021.

Schedule (A)

List of Policies for Board Approval

Annual review:

- Anti-Facilitation of Tax Evasion Policy
- Communications Policy
- Conflicts of Interest Policies
- Disclosure Policy (under the Market Abuse Regulation, Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority)
- Dividend Policy
- Health and Safety Policy
- Market Soundings Policy
- Modern Slavery Policy and Statement
- Risk Policy
- Share Dealing Codes
- Speak Up Policy
- Tax Policy
- Treasury Policy
- Vulnerable Customers Policy

Reviewed every other year or as necessary

- Charitable Donations Policy
- Corporate Social Responsibility Policy
- Environment and Sustainability Policy