



**Board Charter
Aberdeen Group plc**

**Part 1
Responsibilities and Matters Reserved to the Board**



INTRODUCTION

This Part 1 of the Aberdeen Group plc Board Charter sets out:

- The delegation of decision making and management of the Group's business to the Chief Executive Officer;
- the matters reserved to the Board;
- the role of the Board; and
- an overview of the governance arrangements for the Framework Entities.

Section 5 lists the defined terms used in this Part 1 of the Aberdeen Group plc Board Charter.

1. DELEGATION TO THE CHIEF EXECUTIVE OFFICER

The Board has delegated all decision-making and management of the Group's business to the Chief Executive Officer, subject to:

- the list of Matters Reserved to the Board in Section 2;
- any delegation of decision-making to be made by the Board to another Director or a Board Committee;
- any matter requiring approval of the board of directors of a Framework Entity as set out in the board charter for the relevant Framework Entity; and
- any matter falling within the power and authority of the shareholders of the Company.

2. MATTERS RESERVED TO THE BOARD

The following items are Matters Reserved to the Board:

2.1 Purpose, Values and Strategy

- 2.1.1 Approval of the Group's purpose, values and strategy.
- 2.1.2 Oversight of an effective system of internal control and risk management, including approval of the Group's risk appetite and ongoing review of Group risks.
- 2.1.3 Approval of strategic decisions for the Group, including but not limited to substantial changes to the strategy of the Group and entering into joint ventures or strategic partnerships that are Material to the Group.

2.2 Group Structure

- 2.2.1 Approval of changes to the corporate structure of the Company (or its listing) or a Framework Entity (including the creation or dissolution of a Framework Entity) when Material to the Group.
- 2.2.2 Approval of any change of the Company's name.
- 2.2.3 Approval of a major change in the Company's or Group's branding or corporate image, or that of a business segment of the Company.

2.3 Capital and Dividends

- 2.3.1 Approval of changes relating to the capital of the Company or any Framework Entity including:
 - reduction of share capital;
 - share issues and issues of instruments which are convertible into shares;
 - share redemptions;

- granting of options over shares and the allotment of new shares;
- establishment/renewal of borrowing and credit facilities/loans (non-intragroup);
- share buybacks;
- reorganisation or restructuring of capital; and
- the listing or de-listing of any shares or other securities, including debt instruments, on any recognised investment exchange,

provided in each case such change is Material to the Group.

- 2.3.2 Approval of the Company's dividend policy, declaration of any interim dividends and recommendation of final dividends of the Company to shareholders.

2.4 **Management**

- 2.4.1 Approval of the Group's three-year and annual business plans, large-scale change and transformation programmes, allocation of capital, operating and capital expenditure budgets, changes to them which are Material to the Group, and review of performance against these plans and budgets.

- 2.4.2 Approval of any decision to cease to operate any business which is Material to the Group.

- 2.4.3 Approval to commence any new business in the Group (including the introduction of any new product or service) or to expand any business of the Group into a new jurisdiction, which, in each case, may be Material to the Group.

2.5 **Financial and Regulatory Reporting, Internal Controls, Risk and Capital management**

- 2.5.1 On the recommendation of the Company's Audit and Risk Committee, approval of the Company's half yearly report, and recommendation of the Annual Report, strategic report and financial highlights to shareholders.

- 2.5.2 On the recommendation of the Company's Audit and Risk Committee, approval of, and material changes to and any derogation from, the Group's accounting policies or practices.

- 2.5.3 On the recommendation of the Company's Audit and Risk Committee, approval of the ERMF, including the Risk Appetite Framework, and review of its implementation.

- 2.5.4 On the recommendation of the Company's Audit and Risk Committee, approval of any reports to any regulatory authority involving risk or capital issues which are Material to the Group, including the Group's internal capital and risk assessment (ICARA) document.

- 2.5.5 On the recommendation of the Company's Audit and Risk Committee, approval of the results of the annual review of the effectiveness of the Group's risk management and internal control systems.

2.6 **Transactions, Contracts and Financial Commitments**

- 2.6.1 Approval of any of the following material transactions or contracts by the Group:

- 2.6.1.1 Any significant transaction or reverse takeover (as defined by the UK Listing Rules);

- 2.6.1.2 Any transaction with a related party (as defined by the UK Listing Rules) giving rise to an obligation on the Company to make a market notification;

- 2.6.1.3 Any non-ordinary course transaction or contract with an expected value in excess of £30m over the

lifetime of the transaction (including any transaction or contract where the termination or compensation payments may result in a total liability in excess of £30m);

2.6.1.4 Any transaction or contract which is Material to the Group; and

2.6.1.5 Any material outsourcing by the Company or any Framework Entity.

2.6.2 Approval of the provision of any guarantee, non-ordinary course indemnity or security by the Company or any Framework Entity for a sum exceeding £30m and approval of any letters of comfort/support issued by the Company or any Framework Entity for a sum exceeding £30m.

2.6.3 Making any takeover offer under the Takeover Code and responding to an approach regarding a bid for the Company's shares.

2.7 Communications and Stakeholder Engagement

2.7.1 Approval of business to be considered at general meetings of the Company and related documentation to be communicated to shareholders.

2.7.2 Issue of any circular, prospectus or listing particulars by the Company or any Framework Entity.

2.7.3 Approval of announcements relating to the Company's financial performance.

2.7.4 Approval of any communications with any governmental or regulatory authority that are Material to the Group.

2.7.5 Approval of the Company's processes to deliver effective shareholder, Workforce and other major stakeholder engagement, and review of the results.

2.8 Corporate Governance, Board and Other Appointments

2.8.1 On the recommendation of the Company's Nomination and Governance Committee, approval of material changes to this list of Matters Reserved to the Board and the terms of reference of the Board Committees.

2.8.2 Recommendation of changes to the Company's articles of association to shareholders.

2.8.3 Approval of the results of the review of the effectiveness of the Board, the Chair of the Company, individual Directors of the Company and Board Committees.

2.8.4 On the recommendation of the Company's Nomination and Governance Committee, approval of the structure, size and composition of the Board and Board Committees of the Company, and the appointment, reappointment and removal of the:

2.8.4.1 Chair;

2.8.4.2 Chief Executive Officer;

2.8.4.3 Chief Financial Officer;

2.8.4.4 Executive Directors;

2.8.4.5 Non-Executive Directors;

- 2.8.4.6 Senior Independent Director;
- 2.8.4.7 Company Secretary;
- 2.8.4.8 Group General Counsel;
- 2.8.4.9 Chief Risk Officer;
- 2.8.4.10 Chairs of Board Committees; and
- 2.8.4.11 Members of Board Committees,

and approval of their respective roles and responsibilities, and any material changes to any of them, as well as ensuring adequate succession planning for the Board.

- 2.8.5 Approval of any recommendation to shareholders for the election or re-election of any Director.
- 2.8.6 On the recommendation of the Company's Audit and Risk Committee, approval of the appointment, reappointment or removal of the Company's external auditor and the related recommendation to the Company's shareholders. Authority to determine the auditors' remuneration is delegated to the Company's Audit and Risk Committee.
- 2.8.7 Approval of the arrangements for Directors' and officers' liability insurance and indemnification of Directors.
- 2.8.8 Approval of the Conflicts of Interest and Outside Appointments Registers and authorisation of identified potential or actual conflicts of interest, where permitted by the Company's articles of association and in accordance with Applicable Law.

2.9 Remuneration and Pensions

- 2.9.1 On the recommendation of the Company's Remuneration Committee, approval of the Group's remuneration policy and principles, including the Directors' remuneration policy to be put to shareholders for approval as appropriate.
- 2.9.2 On the recommendation of the Company's Remuneration Committee, approval of the establishment or cessation of, or material changes to, any relevant employee share plans and/or annual bonus plans to be put to shareholders for approval as appropriate.
- 2.9.3 Approval of the remuneration of the Chair and the Non-Executive Directors of the Company within the limits set by the articles of association.
- 2.9.4 Approval of the establishment or cessation of any pension schemes and approval of any major changes to the rules or fund management arrangements of or payments under any such scheme.

2.10 Delegation of Authority

- 2.10.1 Approval of the scope and extent of the role of, and delegations to the Chair, Senior Independent Director, Chief Executive Officer and Executive and Non-Executive Directors of the Company, as documented in their responsibilities.
- 2.10.2 Approval of the delegations to the Company's Board Committees, as documented in their terms of reference.

2.11 Policies

- 2.11.1 On the recommendation of the Company's Audit and Risk Committee, approval of the Policy Framework and noting of the Policy Register.
- 2.11.2 On the recommendation of the Company's Audit and Risk Committee, review of the means for the Workforce to raise concerns in confidence and the reports arising from this operation.
- 2.11.3 On the recommendation of the Chief Executive Officer, approval of the Group's sustainability strategy.
- 2.11.4 On the recommendation of the Company's Audit and Risk Committee, approval of the Group's oversight and use of artificial intelligence.
- 2.11.5 Approval of any significant change in the Company's tax policy and objectives.

2.12 Other Procedural

- 2.12.1 Approval of the prosecution, defence or settlement of litigation or governmental or regulatory enforcement action (including any associated fines, penalties or compensation payments) that are Material to the Group.
- 2.12.2 After review by the Company's Remuneration Committee, noting of the publication of gender and ethnicity pay gap reporting by employing entities in the Group.
- 2.12.3 Any other matter as the Board may determine from time to time, including but not limited to any other matter requiring approval of the Board as a matter of law.

3. ROLE OF THE BOARD

The role of the Board is to organise and oversee the affairs of the Company in a manner that seeks to promote the long-term success of the Company and the Group as a whole, while complying with the Company's articles of association and Applicable Law.

In general terms, the Board has collective responsibility for:

- agreeing the Group's purpose, values, and strategy;
- ensuring that the necessary resources are in place to allow the Group to achieve its purpose and deliver its strategy, as well as monitoring its progress towards executing its strategy;
- agreeing the policies applicable to the Group as set out in the Policy Framework;
- oversight of the Group's operations, including ensuring effective risk management and maintaining appropriate internal controls;
- promoting and monitoring achievement of the desired culture of the Group and ensuring that the Group's expression of its purpose, values and strategy are aligned with that culture, and consistent with the achievement of sustainable goals;
- appointing Board and Board Committee members with an appropriate balance of diversity, skills, experience, independence and knowledge to meet the Group's requirements and comply with Applicable Law;
- formally reviewing its own effectiveness as well as the effectiveness of its Committees, the Chair and individual Directors; and
- taking action to identify and manage conflicts of interest, including any which might arise within the Group and those resulting from significant shareholdings.

4. FRAMEWORK ENTITIES

Certain Group Companies have been designated as key to the delivery of the Group's long-term sustainable success. These are defined as 'Framework Entities' in the Corporate Governance Policy. The list of Framework Entities may change from time to time.

5. GLOSSARY OF TERMS

“Annual Report”	The annual report and accounts of the Group
“Applicable Law”	Any applicable law, statute, ordinance, regulation, rule, code, injunction, decree, judgment or order of any local government, regulatory or administrative authority, agency or commission or any judicial or arbitral body with jurisdiction over a Group Company.
“Board”	The board of Directors of the Company
“Board Committee”	A committee of the Board
“Chair”	The chair of the Board
“Chief Executive Officer”	The chief executive officer of the Company
“Chief Financial Officer”	The chief financial officer of the Company
“Chief Risk Officer”	The chief risk officer of the Company
“Company”	Aberdeen Group plc
“Company Secretary”	The company secretary of the Company
“Conflicts of Interest Register”	The register of identified and authorised conflicts of interest
“Corporate Governance Policy”	The corporate governance policy of the Group
“Director”	A director of the Company
“ERMF”	The enterprise risk management framework of the Group
“Framework Entities”	The entities covered by the Corporate Governance Policy
“General Meeting”	A general meeting of the shareholders of the Company
“Group”	The Company and its subsidiaries, and “Group Company” means any of them

“Group General Counsel”	The general counsel of the Group
“ICARA”	The internal capital and risk assessment
“Material to the Group”	<ul style="list-style-type: none"> (a) any matter reasonably likely to involve an amount greater than £30 million or, if higher, 10% of the Group’s annual profit before tax as disclosed in the most recently published Annual Report; (b) any change to the Board-approved annual business plan which is reasonably likely to require additional capital greater than £30 million; or (c) any matter which, in the reasonable opinion of the Chief Executive Officer (having consulted with the Chair), is strategically significant to the Group or is likely to have a material effect on the Group’s reputation or legal or regulatory position or the Company’s share price
“Matters Reserved to the Board”	This schedule of matters reserved for the Board
“Non-Executive Director”	A non-executive Director of the Company
“Outside Appointments Register”	The register of notified outside appointments
“Policy Framework”	The expectations of and requirements for how the risk management policies are defined, managed and embedded throughout the Group
“Policy Register”	The policies contained within the Policy Framework
“Risk Appetite Framework”	The common framework of the types and levels of risk accepted by the Board
“Secretary”	The secretary of the Committee
“Senior Independent Director”	The senior independent director of the Company
“UK Listing Rules”	The rules published by the Financial Conduct Authority (FCA) and contained in the UK Listing Rules sourcebook that forms part of

the FCA handbook

“Workforce”

Employees and other workers (agency workers and contractors) engaged by any Group Company