

**RESPONSIBILITIES OF THE BOARD, CEO, CHAIR AND SID  
AS SET OUT IN:**

Schedule of Matters Reserved for the Board

And

Responsibilities of the Chair, Chief Executive Officer and  
Senior Independent Director

**LOOKERS plc (“PLC” or the “Company”)**  
**SCHEDULE OF MATTERS RESERVED FOR THE BOARD**

**(approved by the board on 25 January 2021)**

Subject to the provisions of the Companies Act 2006, the internal affairs of PLC are governed by its Articles of Association.

**Number of Directors**

The Articles of Association specify that the number of directors shall not be less than four and, unless otherwise determined by PLC by ordinary resolution, not more than twelve. The PLC Board has power under the Articles of Association to appoint an additional director. Directors appointed by the PLC Board must stand for election by the shareholders at the annual general meeting immediately following their appointment. To comply with the UK Corporate Governance Code (the “UK Code”), it is PLC’s policy to ensure that more than half of the PLC Board, excluding the Chairman, consists of non-executive directors whom the PLC Board considers independent.

**Quorum**

The Articles of Association specify that the quorum necessary for the transaction of business shall be two directors or such higher number as the PLC Board may decide. The PLC Board has resolved that a quorum shall be three directors one of whom shall either be the Chairman or the Senior Independent Director. A duly convened board meeting at which a quorum is present may exercise all the authorities, discretions and powers vested in or exercisable by the PLC Board.

**Meetings**

The PLC Board shall meet on at least 10 occasions per annum at regular intervals. Meetings of the PLC Board shall be convened in accordance with the Articles of Association. A Director may, and the Company Secretary at the request of a Director shall, call a meeting of the Board.

Papers relevant to the meeting’s agenda shall be sent to each director entitled to attend and vote at the meeting, at least 5 business days in advance of the meeting unless the Chairman agrees otherwise: such agreement to be communicated to the PLC Board accordingly.

The Company Secretary shall minute the proceedings and decisions of all meetings including recording the names of those present and in attendance. Draft minutes shall be agreed with the Chairman within five business days of the date of the meeting and then circulated promptly to all Directors entitled to attend and vote at the meeting and also to any attendee(s) that the Chairman agrees or is entitled to a copy for the purposes of reference only.

## **Role and Responsibilities**

The PLC Board is responsible to shareholders for creating and delivering sustainable shareholder value and contributing to wider society through the management of the business of PLC and its subsidiaries (“**PLC Group**”).

Certain matters are reserved for decision to the PLC Board as set out below. The PLC Board is responsible for the overall leadership of the PLC Group, including designing and establishing its Business Model and Strategy and satisfying itself as to the alignment of Lookers’ culture with its Business Model and Strategy. It is also responsible for ensuring that management maintains a sound system of audit, risk management, compliance and internal control. In meeting this responsibility, the PLC Board considers what is appropriate for the PLC Group’s business and reputation, the materiality of financial and other risks, the relevant costs and benefits, and regulatory requirements of implementing controls. In this regard the PLC Board takes account of the fact that the business of Lookers Motor Group Limited (“**LMGL**”) (being the main operating company within the PLC Group) includes the regulated activities undertaken by LMGL and its Appointed Representatives (together, the “**Regulated Activities**”) and LMGL is authorised and regulated by the Financial Conduct Authority accordingly. As such, the LMGL Board has principal oversight of the Regulated Activities.

The PLC Board has developed a governance framework that seeks to provide the strong foundation needed for the effective management of the PLC Group and thus generate long-term sustainable returns for shareholders. The PLC Board is the ultimate decision-making body for all PLC board-level issues and matters that are significant to the PLC Group because of their potential strategic, financial, regulatory or reputational implications or because of their potential consequences for the PLC Group as a whole. It is the responsibility of the PLC Board to ensure that there is adequate co-operation from the LMGL Group to enable it to discharge its governance responsibilities under the UK Code effectively.

In managing the business, the Directors must comply with their duty under section 172 of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the PLC Group for the benefit of its members as a whole, whilst having regard to the interests of employees, stakeholders and other matters as required by section 172.

The PLC Board has resolved that the following powers shall be reserved for the PLC Board:

### **1 Leadership, strategy, budgets and management**

- 1.1 Establishing the PLC Group’s purpose, values and general strategy and objectives, assessing and monitoring the PLC Group’s culture and promoting the alignment of culture with purpose, values and strategy.
- 1.2 Assessing the basis over which the PLC Group generates and preserves value over the long term, considering and addressing opportunities and risks to the future success of the business, the sustainability of the business model and the PLC Group’s governance.
- 1.3 Approving the PLC Group’s business plan, operating and capital expenditure budgets and forecasts and any material changes to them and monitoring their implementation. The executive directors are responsible for the day-to-day management of the PLC Group and

developing the PLC Group's business strategy, objectives, budgets and forecasts and, when approved by the board, ensuring their successful implementation.

- 1.4 Ensuring that necessary resources are in place for the PLC Group to meet its objectives and measure performance against them.
- 1.5 Overseeing the PLC Group's operations, ensuring competent and prudent management, sound planning, maintenance of sound management and internal control systems, adequate accounting and other records and compliance with statutory and regulatory obligations.
- 1.6 Approving any material extension of the PLC Group's activities into new business or geographic areas and any decision to cease to operate all or any material part of the PLC Group's business.
- 1.7 Approving the PLC Group's tax strategy.

## **2 Structure, capital, borrowings and dividends**

- 2.1 Approving changes to the Company's capital structure including any reduction or redemption of capital, share buy back (other than in relation to employees' share plans) or issue of shares or other securities.
- 2.2 Approving any issue of shares or other securities of a company in the PLC Group to a person not a member of a Group company, where the issue is material in the context of the PLC Group.
- 2.3 Approving any proposed alteration to the articles of association of the Company.
- 2.4 Approving any changes to the Company's listing or listings, the markets on which its securities are traded, or its status as a public limited company.
- 2.5 Approving any major restructuring or reorganisation of the PLC Group, including any acquisitions or disposals which are material relative to the size of the PLC Group (taking into account initial and deferred consideration).
- 2.6 Approving any major changes to the PLC Group's management or control structures.
- 2.7 Approving any borrowings (including vehicle stock funding with a new funder) or granting of any security by the Company or another member of the PLC Group.
- 2.8 Approving guarantees given by the Company or another member of the PLC Group (save for unsecured vehicle stock funding by an existing funder).
- 2.9 Approving the Company's dividend policy and the payment of any interim dividend, the recommendation to shareholders in general meeting of any final dividend, and any other distribution by the Company.

### **3 Financial and other reporting**

- 3.1 Approving the Company's annual report and accounts (including the financial statements and the strategic report, directors' report, directors' remuneration report and corporate governance statement).
- 3.2 Approving the Company's half-yearly financial report (including financial statements, interim management report and responsibility statement).
- 3.3 Approving any preliminary announcement of final results by the Company.
- 3.4 Approving any quarterly reports or trading statements by the Company.
- 3.5 With advice from the audit and risk committee, ensuring the Company's annual report and accounts and half-yearly report are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.
- 3.6 Ensuring all price-sensitive public records and reports to regulators issued by the Company are fair, balanced and understandable.
- 3.7 Approving any material changes in the Company's accounting policies and practices.
- 3.8 With advice from the audit and risk committee, considering whether it is appropriate to adopt the going concern basis of accounting in preparing annual and half-year financial statements, and the Company's ability to continue to do so, and reporting accordingly.
- 3.9 With advice from the audit and risk committee, assessing the prospects of the Company (and choosing the period over which to do so) and considering whether the board can reasonably expect the Company to be able to continue in operation and meet its liabilities as they fall due over the period of their assessment and reporting accordingly in the annual report.
- 3.10 Approving the Company's slavery and human trafficking statement under the Modern Slavery Act 2015 and any other statement required by law to be approved by the board.

### **4 Audit, Risk and internal controls**

- 4.1 Ensuring the PLC Group has a framework of prudent and effective controls, which enable risk to be assessed and managed.
- 4.2 Establishing procedures to manage risk, oversee the internal control framework (including procedures for the detection and prevention of fraud, bribery, money laundering and other financial crime), and determine the nature and extent of the principal risks the PLC Group is willing to take to achieve its long-term strategic objectives.

- 4.3 Establishing formal and transparent policies and procedures to ensure the independence and effectiveness of the PLC Group's internal and external audit functions and the integrity of the financial and narrative statements.
- 4.4 Carrying out a robust assessment of the PLC Group's emerging and principal risks, overseeing procedures for identifying emerging risks, and procedures for managing and mitigating principal risks.
- 4.5 Monitoring the PLC Group's risk management and internal control systems (covering all material controls including financial, operational and compliance controls) and at least annually, carry out a review of their effectiveness.
- 4.6 Approving any significant changes to PLC Group's internal control framework.
- 4.7 Making any major decision relating to the conduct (or settlement) of any material legal proceedings or arbitration to which the Company or another member of the PLC Group is a party.
- 4.8 Adopting (or making a material amendment or variation to) the PLC Group's major policies relating to the conduct of business, board diversity, share dealing, corporate social responsibility (including in relation to charitable giving), the workforce, environmental matters, health and safety, data protection, security, insurance, risk management and treasury (including interest rate and foreign exchange and financial derivatives).
- 4.9 Overseeing the audit and risk committee and ensuring that the committee as a whole and its members have the relevant competencies.
- 4.10 With the audit and risk committee's advice, make recommendations to shareholders relating to the appointment, reappointment or removal of the Company's external auditors.
- 4.11 With the audit and risk committee's advice, appointing or removing the Chief Risk Officer.
- 4.12 Insofar as the items at 4.1 to 4.9 above relate to Regulated Activities, the oversight of these shall ultimately be the responsibility of the LMGL Board though due regard shall be given to LMGL's Regulated Activities herein.

## **5 Contracts and expenditure**

- 5.1 Approving any major capital project, corporate action or investment by Company or another member of the PLC Group (including capitalised lease expenditure) that will have, or is likely to have, a financial cost in excess of:
  - (a) cost if by Bolling Investments Limited or Lookers Southern Limited £250,000; or
  - (b) otherwise, £1,000,000.
- 5.2 Approving any contract to be entered into by the Company or another member of the PLC Group in the ordinary course of business with a minimum spend of:

- (a) if entered by Bolling Investments Limited or Lookers Southern Limited £500,000; or
- (b) otherwise £1,000,000,

or which would otherwise constitute a material contract in accordance with the Financial Conduct Authority's Listing Rules or be material strategically or by reason of size.

- 5.3 Approving any major expenditure by the Company or another member of the PLC Group that is outside the PLC Group's approved business plan and operating or capital expenditure budgets and the delegated authority of the chief executive officer of the Company, or the board of the relevant Group member, as the case may be.
- 5.4 Approving any takeover offer for another company that is subject to the City Code on Takeovers and Mergers.
- 5.5 Approving any material arrangements with customers or suppliers made by the Company or another member of the PLC Group.
- 5.6 Approving any acquisition or disposal otherwise than for the purpose of an internal reorganisation (whether by means of a single transaction or series of transactions) by the Company or another member of the PLC Group:
  - (a) of any business (or any material part of any business);
  - (b) of any shares or other securities of any company;
  - (c) of any asset with a value in excess of:
    - (i) if entered by Bolling Investments Limited or Lookers Southern Limited, £250,000; or
    - (ii) otherwise, £1,000,000; or
  - (d) which requires shareholder approval.
- 5.7 Approving the acquisition of any freehold or long leasehold property interest.

## **6 Shareholders and other stakeholders**

- 6.1 Ensuring an effective engagement strategy with, and encouraging participation from, shareholders, the workforce and other key stakeholders and keeping engagement mechanisms under review.
- 6.2 Establishing a method for gathering the views of the workforce.
- 6.3 With advice from the remuneration committee, ensuring that workforce policies and practices are consistent with the PLC Group's purpose and values and support its long-term sustainable success.

- 6.4 Establishing and monitoring procedures by which the workforce can raise any matters of concern and arrangements for investigation and follow-up.
- 6.5 Convening general meetings of the Company, including approving notices of general meetings and related documents (including circulars, prospectuses, and listing particulars, as applicable).
- 6.6 Approving press releases concerning matters decided by the board.
- 6.7 Considering the balance of interests between shareholders, pension trustees, employees, customers and the community.

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

- 7.1 Overseeing the nomination committee, which leads the process for board appointments, ensures plans are in place for orderly succession to the board and senior management positions, and oversees the development of a diverse pipeline for succession.
- 7.2 With the advice of the nomination committee:
  - (a) making any changes to the structure, size and composition of the board and making appointments to the board;
  - (b) facilitating adequate succession planning for the board and senior management.;
  - (c) considering and determining the independence of non-executive directors;
  - (d) considering and determining whether or not to approve directors' external appointments;
  - (e) identifying and managing actual or potential conflicts of interest, including by authorising conflicts where thought appropriate in accordance with law and the Company's articles of association;
  - (f) appointing the chief executive officer and the chair;
  - (g) appointing the senior independent director;
  - (h) considering and determining whether a director should continue in office at the end of his/her term of office and whether a director should be proposed for election or re-election by shareholders at the annual general meeting;
  - (i) considering and determining whether a director should continue in office at any time, including suspending or terminating the service of an executive director as an employee; and
- 7.3 Appointing and removing the Company Secretary.

- 7.4 Appointing and removing directors and other officers and senior managers of LMGL, Chares Hurst Dublin Limited and/or other members of the PLC Group with the advice of the LMGL Board as may be appropriate.

## **8 Board Committees and other delegation**

- 8.1 Establishing board committees and approving their terms of reference.
- 8.2 Appointing the members and the chair of any board committee and approving any changes to the composition of committees.
- 8.3 Facilitating the formal and rigorous evaluation of the performance of the board, its committees, the chair and individual directors.
- 8.4 Receiving reports and recommendations from committees.
- 8.5 Approving the statement of the responsibilities of the chair, the chief executive officer and the senior independent director.
- 8.6 Approving the scope and terms of any authority given to the chief executive officer, finance director and other directors and senior managers to approve expenditure, investments, and such other matters as the board may determine.
- 8.7 Granting powers of attorney.

## **9 Remuneration**

- 9.1 Overseeing the remuneration committee, which is responsible for determining the policy for executive director remuneration and setting remuneration for the chair, executive directors and senior management (and defined in the 2018 UK Corporate Governance Code).
- 9.2 With the advice of the remuneration committee, establishing a formal and transparent procedure for developing policy on the remuneration of executive directors, the chair and senior management.
- 9.3 Determining the remuneration of non-executive directors in accordance with the articles of association.
- 9.4 Recommending the introduction of new share incentive plans or major changes to existing plans, subject to shareholder approval as appropriate.

## **10 Market disclosure**

- 10.1 Overseeing the disclosure committee, which is responsible for ensuring the timely and accurate disclosure of all information that is required to be disclosed by the Company to meet its legal and regulatory obligations and that its policies and procedures as regards share dealing are compliant, appropriate and effective.

10.2 With the advice of the disclosure committee, ensuring the Company complies with its legal and regulatory obligations in respect of market disclosure and share dealing.

## **11 Other matters**

11.1 Approving any prospectuses, circulars to holders of the Company's shares or other securities and recommendations in respect of any matters or notices which may be submitted to holders of the Company's shares or securities in accordance with statutory requirements or requirements of the Financial Conduct Authority or London Stock Exchange or the Company's articles of association.

11.2 Appointing the PLC Group's principal financial and professional advisers.

11.3 Approving (subject always to Part 14 of the Companies Act 2006) the making of political donations.

11.4 Approving the PLC Group's insurance levels, including directors' & officers' liability insurance.

11.5 Approving any indemnity by the Company of a director or officer of the Company or any other member of the PLC Group.

11.6 Approving the introduction, or any material changes to the rules, or changes in the trustees, of any pension plan or scheme, including approval of any increase in the amounts of employer's contributions to any of the defined benefit pension schemes and (to the extent subject to the approval of the Company or another member of the PLC Group, changes in the statement of investment principles.

11.7 Approving any other matters that are reserved for decision by the PLC Board in accordance with applicable law or regulation, or pursuant to accepted best practice, or under the articles of association of the Company.

11.8 Considering and making any decision likely to have a material impact on the Company or the PLC Group, including in relation to a financial, operational, strategic or reputational matter other than in relation to Regulated Activities.

11.9 Reviewing annually and approving any changes to this schedule of matters reserved for the board.

Adopted by the Board	1 October 2019
Amended and approved by the Board	25 January 2021
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**LOOKERS PLC  
RESPONSIBILITIES OF THE CHAIR,  
CHIEF EXECUTIVE OFFICER AND SENIOR INDEPENDENT DIRECTOR**

**Approved by the board on 25 January 2021**

This document sets out the responsibilities of the Chair, the Chief Executive Officer and the Senior Independent Director. In this document ‘Group’ means Lookers PLC (“PLC”) and its subsidiary undertakings.

**1. KEY ASPECTS OF THE CHAIR’S ROLE**

1.1 The Chair:

- (a) leads the board and is responsible for its overall effectiveness in all aspects of its role;
- (b) shapes the culture in the boardroom, in particular by promoting openness and debate;
- (c) sets a board agenda primarily focused on strategy, performance, value creation, culture, stakeholders and accountability, ensuring that issues relevant to these areas are reserved for board decision; and
- (d) demonstrates objective judgement throughout his/her tenure and promotes a culture of openness and debate.

**2. THE CHAIR’S RESPONSIBILITIES**

*Meetings*

- 2.1 Chairing board and general meetings and those of the nomination committee (but the Chair shall not act in relation to the appointment of his/her successor)
- 2.2 Running the Board and ensuring its effectiveness in all aspects of its role, including regularity and frequency of meetings.
- 2.3 Setting the board agenda, taking into account the issues and concerns of all board members and ensuring that the agenda is forward looking, concentrating on strategic matters.

*Board decision-making*

- 2.4 Ensuring that there is appropriate delegation of authority from the Board to executive management.
- 2.5 To establish policies and processes to enable the proper functioning of the board, in particular to ensure that there is a timely flow of accurate, high-quality and clear information, with the assistance of the PLC Secretary.

- 2.6 To ensure that adequate time is available for discussion of all agenda items, in particular strategic issues.
- 2.7 To ensure that the board determines the nature, and extent, of the significant risks the Group is willing to embrace in the implementation of its strategy.

#### *Directors' engagement and relationships*

- 2.8 To facilitate constructive board relations and the effective contribution of all non-executive directors, including by holding meetings with the non-executive directors without the executives present.
- 2.9 To encourage all board members to engage in board and committee meetings by drawing on their skills, experience and knowledge.
- 2.10 To foster relationships based on trust, mutual respect and open communication in and outside the boardroom between non-executive directors and the Executive Team<sup>1</sup>.
- 2.11 To develop a productive working relationship with the chief executive, providing support and advice, while respecting executive responsibility.

#### *Directors' induction and training*

- 2.12 To ensure, with the assistance of the PLC Secretary, that all directors receive a full, formal and tailored induction on joining the board.
- 2.13 To ensure that all directors are aware of and able to discharge their statutory duties.
- 2.14 To ensure that all directors continually update their skills, knowledge and familiarity with the Group to fulfil their role both on the board and committees.
- 2.15 To provide guidance and mentoring to new directors as appropriate.

#### *Board evaluation*

- 2.16 To lead the annual board evaluation, with support from the senior independent director as appropriate.
- 2.17 To determine with the nomination committee whether the board evaluation should be externally facilitated.
- 2.18 To act on the results of the evaluation by recognising the strengths and addressing any weaknesses of the board.

#### *Engagement with shareholders*

- 2.19 To arrange for all directors to attend PLC's annual general meeting and for the chairs of the audit and risk, remuneration and nomination committees to be available to answer questions on matters within the relevant committee's area of responsibility.

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<sup>1</sup> [Chief Executive Director and Chief Financial Officer]

- 2.20 To seek regular engagement with major shareholders in order to understand their views on governance and performance against the strategy, in addition to formal general meetings.
- 2.21 To ensure that the board as a whole has a clear understanding of and listens to the views of shareholders.

*Engagement with key stakeholders*

- 2.22 To ensure that the board as a whole has a clear understanding of and listens to the views of the workforce, customers and other key stakeholders.

*Other matters*

- 2.23 To review periodically, with the assistance of the PLC Secretary, whether the board and the Group's governance processes are fit for purpose, and consider any improvements or initiatives that could strengthen the governance of the Group.
- 2.24 To lead, with the Chief Executive Officer, the Group's relationships with governments, authorities and regulators.

**3. ROLE OF CHIEF EXECUTIVE OFFICER**

- 3.1 The Chief Executive Officer reports to the Chair and to the board and is responsible for the executive management of the Group. All members of executive management report directly to the Chief Executive Officer.

**4. THE CHIEF EXECUTIVE OFFICER'S RESPONSIBILITIES**

- 4.1 To manage the Group on a day-to-day basis within the authority delegated by the board.
- 4.2 To be responsible for developing Group strategy, plans and commercial and other objectives and for making proposals to the board.
- 4.3 To be responsible for implementing and delivering approved strategy, plans and objectives agreed by the board.
- 4.4 To manage and mitigate the Group's emerging and principal risks in line with the assessment made by the board and the Group's risk management and internal control systems (including financial, operational and compliance controls).
- 4.5 To maintain a dialogue with the Chair and the board on important and strategic issues facing the Group.
- 4.6 To ensure the Chair is alerted to potentially complex, contentious or sensitive issues affecting the Group.
- 4.7 To ensure, with the assistance of the PLC Secretary, that the executive team complies with the terms on which matters are delegated by the board, and the terms of reference of board committees, and to ensure matters outside the authority of the executive team are escalated to the board.

- 4.8 To ensure that the development needs of the executive directors and senior management are identified and met.
- 4.9 To ensure that the Group develops strategies and make plans for the succession and replacement of key personnel.
- 4.10 To lead communications with shareholders and other stakeholders, ensuring that appropriate, timely and accurate information is disclosed to the market, with issues escalated promptly to the Disclosure Committee as appropriate.
- 4.11 To develop Group policies and codes for board approval and implement them.
- 4.12 To set an example to the Group's workforce and other key stakeholders and to be responsible for communicating to them expectations in respect of PLC's culture, and for ensuring that operational policies and practices drive appropriate behaviour.
- 4.13 To be responsible for supporting the Chair to make certain that appropriate standards of governance apply through all parts of the Group.
- 4.14 To ensure the board is made aware of the views of the workforce, customers and other key stakeholders.
- 4.15 To ensure the board is made aware of the views of the senior management on business issues.
- 4.16 To ensure that management fulfils its obligation to provide the board with:
  - (a) accurate, timely and clear information in a form and of a quality and comprehensiveness that will enable it to discharge its duties;
  - (b) the necessary resources for developing and updating directors' knowledge and capabilities; and
  - (c) appropriate knowledge of the Group, including access to business operations and members of the workforce.

## **5. SENIOR INDEPENDENT DIRECTOR'S ROLE**

- 5.1 The Senior Independent Director acts as a sounding board for the Chair, providing the Chair with support in the delivery of his/her objectives, and serving as an intermediary for the other directors and shareholders.

## **6. SENIOR INDEPENDENT DIRECTOR'S RESPONSIBILITIES**

- 6.1 To serve on the Disclosure Committee.
- 6.2 When called on, to seek to meet a sufficient range of major shareholders in order to develop a balanced understanding of their views.
- 6.3 To be available to shareholders if they have concerns that contact through the normal channels of Chair, Chief Executive Officer or other executive directors has failed to resolve, or for which such contact is inappropriate.

- 6.4 To work with the Chair and other directors to resolve significant issues.
- 6.5 To lead the process that evaluates the performance of the Chair and, if requested by the board, to lead the evaluation process for the board, its committees and individual directors.
- 6.6 To meet other non-executive directors without the Chair present at least once a year to appraise the Chair's performance, taking into account the views of executive directors, and on other occasions as necessary.
- 6.7 To be responsible for an orderly succession process for the chair, working closely with the nomination committee.

Approved by the Board	25 January 2021
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Date of next review	January 2022