

# **CABLE & WIRELESS COMMUNICATIONS PLC**

## **SCHEDULE OF MATTERS RESERVED FOR THE BOARD**

### **1 Strategy and Management**

- 1.1 Responsibility for the overall direction of the Group.
- 1.2 Approval of the Group's long-term objectives and strategy.
- 1.3 Approval of the annual budget.
- 1.4 Oversight of the Group's operations and management.
- 1.5 Review of performance in 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 Any decision to cease to operate all or any material part of the Group's business.

### **2 Structure and Capital**

- 2.1 Changes relating to the Group's capital structure including reduction of share capital, share issues (except under employee share plans) and share buy backs.
- 2.2 Major changes to the Group's corporate structure.
- 2.3 Major changes to the Group's management and control structure.
- 2.4 Any changes to the Company's listing in London or its status as a plc.

### **3 Financial Reporting and Controls**

- 3.1 Approval of announcements of interim and final results.
- 3.2 Approval of the annual report and accounts, including the corporate governance statement and remuneration report.
- 3.3 Approval of the dividend policy.
- 3.4 Declaration of the interim dividend and recommendation to shareholders of the final dividend.
- 3.5 Approval of any significant changes in accounting policies or practices.
- 3.6 Approval of treasury policies.

### **4 Internal Controls**

- 4.1 Ensuring maintenance of a sound system of internal control and risk management including:
  - Receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives.
  - Undertaking an annual assessment of these processes.
  - Approving an appropriate statement for inclusion in the annual report.

### **5 Contracts/Expenditure**

- 5.1 Approval of all significant contracts and expenditure over \$25 million (be it capital or operating expenditure).
- 5.2 All investments/disposals in shares in which the Group holds an interest.

### **6 Communication**

- 6.1 Approval of resolutions and corresponding documentation to be put to shareholders at a general meeting.
- 6.2 Approval of all circulars and listings particulars.
- 6.3 Approval of major press 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 and appointments to the Board, following recommendations from the Nomination Committee.
- 7.2 Ensuring adequate succession planning for the Board and senior management.
- 7.3 Selection of the Chairman of the Board and the Chief Executive Officer
- 7.4 Appointment of the Senior Independent Director.
- 7.5 Membership and Chairmanship of Board committees.

- 7.6 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.
- 7.7 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.
- 7.8 Appointment or removal of the Company Secretary.
- 7.9 Appointment, reappointment or removal of the external auditor, such resolution to be put to shareholders for approval, following the recommendation of the Audit Committee.

## **8 Remuneration**

- 8.1 Determining the remuneration policy for the Directors and other senior executives.
- 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, to be put to shareholders for approval.

## **9 Delegation of Authority**

- 9.1 The division of responsibilities between the Chairman and the Chief Executive Officer.
- 9.2 Approval of terms of reference of Board committees.
- 9.3 Receiving reports from Board committees on their activities.

## **10 Corporate Governance Matters**

- 10.1 Undertaking a formal review annually of its own performance, that of its committees and individual Directors.
- 10.2 Determining the independence of 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.

## **11 Policies**

- 11.1 Approval of policies, including:
  - Ethics code
  - Share dealing code
  - Environmental policy
  - Corporate social responsibility policy

## **12 Other**

- 12.1 The making of any political donations.
- 12.2 Approval of the appointment of the Group's principal professional advisers.
- 12.3 Material legal issues.
- 12.4 Approval of the overall levels on insurance for the Group including Directors' & Officers' liability insurance and indemnification of Directors.
- 12.5 Major changes to the rules of the Group's pension scheme, or changes of trustees or, when this is subject to the approval of the Company, changes in the fund management arrangements.
- 12.6 This schedule of matters reserved the Board.

In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.