



**Purplebricks Group plc
(the Company)**

MATTERS RESERVED TO THE BOARD

(as adopted by the Board at its meeting on 19 September 2018)

The following matters are those which are reserved to the board of directors of the Company (or a duly appointed and authorised committee of the board of directors of the Company):

1. STRATEGY AND MANAGEMENT

- 1.1 Together with management as appropriate, considering the basis on which the Group generates or preserves value over the longer term (the business model) and the strategy for delivering the objectives of the Group.
- 1.2 Setting the Group's values and standards and reviewing performance.
- 1.3 Approval of the Group's overall strategy, budget and business plan.
- 1.4 Considering the nature and extent of the significant risks the board is willing to take in achieving the strategic objectives of the Company.
- 1.5 Approving major changes in the nature, scope or scale of the business of the Group, including any decision to: (i) cease to operate all or a substantial part of the Group's business; and (ii) enter into any strategically or commercially significant new business areas not forming part of the Group's current activities from time to time.

2. CORPORATE GOVERNANCE

- 2.1 Compliance with the Quoted Companies Alliance Code and other relevant corporate governance guidelines.
- 2.2 Membership of board committees and their terms of reference and any material changes to these.
- 2.3 All matters for decision of any Board Committees in their Terms of Reference (noting however that such matters have been delegated to such committees).
- 2.4 Approval of the division of responsibilities between the Chairman and Chief Executive.
- 2.5 Delegation of the board's powers.
- 2.6 Overall governance framework and values of the Group.

- 2.7 Approval of overall performance evaluation procedures for board, committees and individual directors and carrying out an assessment (at least annually) of its own performance, that of its committees and individual directors and the division of responsibilities.
- 2.8 Setting any policy on boardroom diversity, including gender, and monitoring its implementation.
- 2.9 Assessment annually of which non-executive directors are independent.
- 2.10 Any changes to these matters reserved to the Board.
- 2.11 Approval of any proposals to be made to shareholders.
- 2.12 Consideration of the Board and each Board Committee's performance against corporate governance and board best practices.

3. DIRECTORS AND SENIOR EMPLOYEES

- 3.1 Approval (having considered any recommendations of the Nomination Committee) of:
 - (a) board appointments and removals;
 - (b) board and senior employee succession;
 - (c) appointment of Chairman and Chief Executive and terms of engagement (other than remuneration) for Chairman and Chief Executive;
 - (d) terms of engagement (other than remuneration) of non-executive directors;
 - (e) the re-appointment of any director at the end of his or her specified term of office or otherwise and proposal for such reappointment to shareholders; and
 - (f) any decisions concerning the continuation in office of any director at any time.
- 3.2 Terms of engagement of executive directors and senior employees.
- 3.3 Approval of the directors' remuneration report, including the policy on directors' remuneration and approval of the Remuneration Committee's recommendations to exclude from the report any performance measures, performance targets and formulae which may be considered commercially sensitive to the Company.
- 3.4 Appointment and removal of the company secretary.
- 3.5 Procedure for directors in the furtherance of their duties to take independent professional advice, at the Company's expense.

- 3.6 Authorisation of any conflict matter arising for any director of the Company under section 175 of the Companies Act 2006 and the terms and conditions attaching to such authorisation.
- 3.7 The procedures for the authorisation of directors' conflict matters falling within section 175 of the Companies Act 2006 and any changes to those procedures.
- 3.8 Approval of material changes to directors' and officers' liability insurance.

4. EMPLOYEE AND PENSION ISSUES

- 4.1 Approval of the creation of any new pension schemes for directors or employees.
- 4.2 Approval of any changes of trustees or fund management arrangements.
- 4.3 Adoption of new employee share schemes and major changes in existing employee share schemes (having considered the recommendations of the Remuneration Committee).
- 4.4 Material decisions regarding the recognition of trade unions.
- 4.5 Decisions regarding proposed large-scale redundancies.

5. CORPORATE STRUCTURE AND CAPITAL

- 5.1 Decisions regarding changes relating to the Group's capital structure, including any reductions of capital, share issues (except under approved employee share plans) and share buybacks.
- 5.2 Approval of major changes to the Group's corporate structure, management or control structure.
- 5.3 Approval of material changes relating to any of the Company's securities listings.

6. FINANCIAL REPORTING AND AUDIT

- 6.1 Approval of preliminary and annual reports and accounts, half-yearly reports and interim management statements, having regard to the recommendation of the Audit Committee.
- 6.2 Setting any dividend policy, approval of any interim dividend and recommendation of any final dividend.
- 6.3 Approval of accounting policies and practices and any changes to them, including the use of any off-balance sheet structures.
- 6.4 Approval of any change in the accounting reference date of the Company or of any material subsidiary of the Group to a date other than that of the Company.

- 6.5 Approval (taking account of any recommendations of the Audit Committee) of:
- (a) any appointment or removal of the Company's external auditors; and
 - (b) external auditors' remuneration and other terms of engagement.
- 6.6 Approval of the making of any material tax elections or the entry into any material agreement, compromise or accommodation with HM Revenue and Customs or any other tax authority in whichever case that are material to the Company, its shareholders or the Group as a whole.
- 6.7 In relation to the Group's tax affairs:
- (a) approval of any tax policy or strategy decision that may materially affect the Group's public reputation or relationship with any tax authority; and
 - (b) approval of the entry into any material agreement or compromise with any tax authority or the making of any material tax election with or disclosure of any material information to any tax authority.

7. RISK MANAGEMENT AND POLICIES

- 7.1 Approval of overall risk management, internal control and other significant corporate policies.
- 7.2 Reviewing the effectiveness of risk management and internal control systems on an on-going basis, including receiving and reviewing regular reports on internal control received from the Audit Committee, and carrying out an assessment (at least annually) of significant risks and the effectiveness of risk management and internal control systems.
- 7.3 Approval of material decisions regarding the prosecution, defence or settlement of litigation, arbitration, regulatory or other proceedings (involving above £250,000 or being otherwise material to the Group).
- 7.4 Approval of the strategy regarding any matter which could reasonably be expected to have a material effect on the reputation or standing of the Company or Group.
- 7.5 Approval of any material changes to the overall levels of insurance for the Group.

8. TRANSACTIONS

- 8.1 Approval of M&A transactions where the:-
- (a) total consideration payable is greater than 1% of the Company's market capitalisation;
 - (b) total consideration payable is greater than 10% of cash on the Company's balance sheet;
 - (c) the target's current year revenues are greater than 1% of the Group's current year revenues;

(d) the target's current year profit/EBITDA (loss) is greater than 2.5% of the Group's current year profit before tax; or

(e) the target's business profile is outside that of the Group's core business.

8.2 Approval of the entry into any commitment or arrangement (or series of related commitments or arrangements) which could involve the payment or receipt by the Group of in excess of £1,000,000 in aggregate value (whether in cash or otherwise) outside of the approved annual budget.

8.3 Approval of the entry into contracts (or a series of related contracts) not in the ordinary course of business which could involve the payment or receipt by the Group in excess of £1,000,000.

8.4 Approval of the entry into contracts with a committed duration in excess of five years.

8.5 Approval of any grant of guarantees other than those in the ordinary course of operational business, between Group companies or capped at less than £250,000.

8.6 Approval of the entry into contracts in which a director or other related party (as defined in the Listing Rules) is interested.

8.7 Approval of any proposed acquisition or disposal of shares in a listed company.

8.8 Approval of entering into any binding commitment to enter into a material strategic alliance, joint venture, partnership or profit sharing arrangement.

8.9 Approval of transactions giving security over all of a material part of the assets of the Group.

9. FINANCE

9.1 Approval of any material increase beyond the borrowing limits previously adopted.

9.2 Approval of the raising of new loan capital or the obtaining of financing facilities, in either case in excess of £500,000 in aggregate.

9.3 Approval of the Group's annual operating budget.

9.4 Approval of any treasury policy guidelines (including foreign currency and interest rate exposures) and any material changes to these.

10. COMMUNICATIONS AND REGULATORY REQUIREMENTS

10.1 Approval of any action which would require the approval of shareholders in general meeting.

10.2 Approval of resolutions and related documentation to be put forward to shareholders at a general meeting.

10.3 Approval of announcements concerning matters decided by the board.

- 10.4 Ensuring that the company has adequate procedures, systems and controls to comply with the AIM Rules for Companies and the Disclosure Guidance and Transparency Rules.
- 10.5 Approval of all circulars, prospectuses and other documents sent to shareholders (save that approval of routine documents may be delegated to a committee).
- 10.6 Approval of the Company's share dealing code.

11. OTHER

- 11.1 Approval of any political donation.
- 11.2 Approval of any charitable donations in excess of £5,000 to any individual organisation or in excess of £50,000 in any financial year.
- 11.3 Approval of the appointment of the Group's principal professional advisers.