

Spire Healthcare Group plc

SCHEDULE OF MATTERS RESERVED FOR THE BOARD

The following are the matters which are reserved for the board of Spire Healthcare Group plc (the *Company*). In this schedule *Group* means the Company and its subsidiary undertakings.

1. LEADERSHIP, STRATEGY, BUDGETS AND MANAGEMENT

- 1.1 Providing leadership and setting the values and standards of the Group.
- 1.2 Approving the Group's business strategy and objectives, budget and forecasts and governance framework and any material changes to them. The executive directors are responsible for the day-to-day management of the Group and developing the Group's business strategy, objectives, budget and forecasts and, once approved by the board, ensuring their successful implementation.
- 1.3 Monitoring the delivery of the Group's business strategy and objectives and ensuring that any necessary corrective action is taken.
- 1.4 Overseeing the 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.
- 1.5 Approving any material extension of the Group's activities into new business or geographic areas and any decision to cease to operate all or any material part of the Group's business.

2. STRUCTURE AND CAPITAL

- 2.1 Approving changes to the Company's capital structure including any reduction of capital, share buy-backs except under employees' share plans and issue of shares or other securities.
- 2.2 Approving any issue of securities of a subsidiary undertaking in the Group to a person outside of the Group, where such issue is material in the context of the 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 the markets on which its securities are traded.
- 2.5 Approving any restructuring or reorganisation of the Group.
- 2.6 Approving any material changes to the Group's management or control structures.

3. FINANCIAL REPORTING

- 3.1 Approving the Company's half-yearly report, interim management statements and all preliminary announcements of final results.
- 3.2 Approving the Company's annual report and accounts including the corporate governance statement and directors' remuneration report.

3.3 Approving the dividend policy, determination of any interim dividend and the recommendation (subject to the approval of shareholders in general meeting) of any final dividend to be paid by the Company or of any other distributions by the Company.

3.4 Approving any material changes in accounting policies and practices.

3.5 Altering the accounting reference date of any company in the Group.

4. RISK MANAGEMENT AND INTERNAL CONTROLS

4.1 Ensuring the Group has effective systems of internal control and risk management in place, including:

- (a) approving the Group's risk appetite;
- (b) approving the Group's procedures for the detection of fraud and the prevention of bribery; and
- (c) monitoring and undertaking an annual review of the Group's systems of control and risk management.

4.2 Making any major decision relating to the conduct (or settlement) of any material legal proceedings to which the Company or another member of the Group is a party where the potential direct cost or benefit to the Group is in excess of £1 million.

4.3 Agreeing the prosecution, defence or settlement of litigation or other dispute resolution material to the interests and reputation of the Group.

4.4 Having oversight of the strategic approach to be taken with regulators, including during any investigations, and approving material regulatory proceedings to which the Company or another member of the Group is a party.

4.5 Approving the Group's levels of insurance, including directors' and officers' liability insurance.

4.6 Approving directors' indemnities.

5. CONTRACTS, EXPENDITURE AND BORROWING

5.1 Approving any major capital project, corporate action or investment by the Company or another member of the Group that will have, or is likely to have, a financial cost greater than £1 million.

5.2 Approving any contract entered into by the Company or any member of the Group in the ordinary course of business which is material strategically or by reason of size.

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

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

5.5 Approving any material joint venture and material arrangements with customers or suppliers.

5.6 Approving any lease entered into by any member of the Group with a value in excess of £1 million over its minimum term.

5.7 Subject to paragraph 5.8 below, approving any acquisition or disposal (whether in a single transaction or series of transactions) not subject to the City Code on Takeovers and Mergers by any member of the Group of:

- (a) any business (or any material part of any business);
- (b) any shares in any company; or
- (c) any asset with a value in excess of £1million.

5.8 Notwithstanding paragraph 5.7 above, the chief executive officer of the Company may authorise the sale or disposal of dormant Company assets or assets not in use, provided that the sale or disposal is:

- (a) at market value; and
- (b) the aggregate of such sales or disposals does not exceed £5 million in any given financial year.

5.9 Approving any new bank borrowing facilities for the Group.

5.10 Approving any increase, or significant variation in the terms (other than arising from changes in interest rates) of the borrowing facilities available to the Group.

5.11 Approving guarantees or other security given by the Group for amounts in excess of £1 million, other than in the ordinary course of trading.

6. COMMUNICATIONS

6.1 Convening general meetings of the Company and ensuring a satisfactory dialogue with shareholders.

6.2 Approving notices of general meetings of the Company and all related documents to be sent to shareholders.

6.3 Approving any prospectuses, circulars to holders of the Company's securities 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.

6.4 Approving the process for the external disclosure of information by the Company including, but not limited to, press releases and regulatory announcements.

7. BOARD MEMBERSHIP AND OTHER APPOINTMENTS

7.1 Approving changes to the structure, size and composition of the board, following recommendations from the nomination committee.

7.2 Ensuring adequate succession planning for the board and senior management of the Group so as to maintain an appropriate balance of skills and experience (taking account of recommendations from the nomination committee where appropriate).

7.3 Making appointments to the board, following recommendations from the nomination committee.

7.4 Selecting and appointing the chief executive officer and the chairman.

7.5 Appointing the senior independent director, who will provide a sounding board for the chairman and serve as an intermediary for the other directors when necessary.

7.6 Determining the membership and chairmanship of board committees and approving any amendments thereto, following recommendations from the nomination committee.

7.7 Making decisions about the continuation in office of a director at the end of his or her term of office, when a director should be re-elected by shareholders at the annual general meeting and otherwise as appropriate.

7.8 Making decisions about the continuation in office of a director at any time, including suspending or terminating the service of an executive director as an employee, subject to the law and his or her service contract.

7.9 Appointing and removing the company secretary.

7.10 Making recommendations to shareholders about the appointment, re-appointment or removal of the Group's external auditors, following recommendations from the Audit and Risk Committee.

7.11 Appointing directors of the Group.

7.12 Approving the appointment of any senior manager reporting directly to the chief executive officer.

8. CORPORATE GOVERNANCE MATTERS

8.1 Formally reviewing the performance of the board and its committees, individual directors and the Group's overall corporate governance framework.

8.2 Determining whether a director is independent.

8.3 Considering the balance of interests between shareholders, employees, customers and the community.

8.4 Receiving and considering reports on the views of the Company's shareholders.

8.5 Authorising any conflict of interest where permitted by the Company's articles of association.

9. REMUNERATION

9.1 Determining and agreeing with the remuneration committee the policy for the remuneration of the chairman, executive directors, the company secretary and other senior managers of the Group.

9.2 Approving the introduction of share incentive plans or making major changes to existing plans, to be put to shareholders for approval.

9.3 Determining the remuneration of non-executive directors of the Company, subject to the articles of association of the Company.

9.4 Approving the introduction, or any material changes to the rules, or changes in the trustees, of any pension plan or scheme.

10. DELEGATION OF AUTHORITY

10.1 Establishing and determining the terms of reference of board committees and approving any amendments thereto and receiving reports and recommendations from committees.

10.2 Approving the limits of the authority to approve expenditure, investments and such other matters as the board may determine, delegated to the chief executive officer, chief financial officer and other directors and senior managers.

10.3 Approving the division of responsibilities between the chairman, the deputy chairman and the chief executive officer.

10.4 Approving the statement of responsibilities of the senior independent director.

10.5 Granting powers of attorney.

11. POLICIES

11.1 Approving and monitoring of the share dealing code.

11.2 Approving and monitoring of the corporate social responsibility policy and report.

11.3 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, treasury (including, for the avoidance of doubt, interest rate and foreign exchange and financial derivatives), employment law, anti-bribery, whistle-blowing and clinical governance issues.

11.4 Approving policies on the making of political donations (subject to the approval of shareholders in general meeting) and charitable donations.

12. CLINICAL GOVERNANCE MATTERS

12.1 Receiving and considering at least six times each year a report from the board's Clinical Governance and Safety Committee, including the following items:

- (a) a review of all recommendations from the Clinical Governance and Safety Committee in response to their review of compliance reports following inspection of the Group's registered locations by the Care Quality Commission (*CQC*);
- (b) a six-monthly summary of all serious adverse events (*SAE*), never events and unexpected deaths. The summary to include, as a minimum:

- i) confirmation of the root cause of the SAE, an action plan to reflect changes and learning where appropriate;
 - ii) evidence of compliance with statutory notification requirements;
 - iii) identification of risks exposed by the SAE; and
 - iv) confirmation of compliance with the statutory duty of candour, where triggered; and
- (c) approving a quarterly summary of clinical governance activities.

13. OTHER MATTERS

13.1 Appointing the Company's principal financial and professional advisers.

13.2 Approving 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.

13.3 Reviewing this schedule of matters reserved for the board (at least annually).

This schedule of matters reserved for the Board was adopted on 3 July 2014 and amended on 21 July 2016 and 13 September 2017.