

ROLE OF THE BOARD

The Board is responsible for ensuring that risk is managed to appropriate levels as well as meeting its responsibilities to all its stakeholders including its shareholders, employees, suppliers, and customers. There is a schedule of matters which have been reserved for the decision of the Board concerning Ricardo plc (“Ricardo” or “the Group”), which include:

Company’s business relationships with strategy and management

The Board is responsible for the overall leadership of the Company and setting the company’s values and standards. Alongside ensuring approval of the Group’s overall business strategy and long-term objectives, they also approve the annual operating and capital expenditure budgets and any material changes to them. They have oversight of the Group’s operations and ensure competent and prudent management, sound planning, safe and secure operations, and effective systems of internal control, including adequate accounting, as well as compliance with statutory and regulatory operations. The Board review the Group’s performance considering its strategic aims, objectives, business plans and budgets and ensure any necessary corrective action is taken. Any decision to cease to operate all or any material part of the Group’s business is to be approved by the Board.

Structure and capital

The Board is responsible for approving changes relating to the Group’s capital structure including reduction of capital, share issues (except under employee share plans), share buybacks and entering into material debt and financing arrangements. Additionally, any major changes to the Group’s corporate structure, including, but not limited to acquisitions and disposals of shares and/or assets which are material, relative to the size of the Group, changes to the management and control structure and any changes to the company’s listing or status as a plc, will require approval from the Board..

Financial reporting and controls

The Board has a duty to ensure the approval of the half yearly report, any periodic management statements, any preliminary announcement of the financial results, the annual report and accounts, including the corporate governance statement and directors’ remuneration report. They are also responsible for the approval of the dividend policy, treasury policies, and approval of material unbudgeted capital or operating expenditures.

Internal controls

The Board acts as the approver of the company’s risk appetite statements and receives reports on and reviewing the effectiveness of risk and control processes to support Ricardo’s strategy and objectives, including the risk register.

Contracts

The Board approves major capital projects and oversight over execution and delivery, including contracts of any subsidiary, which is not in the ordinary course of business. Additionally, the Board will approve major investments including the acquisition or disposal of interests of more than 3% in the voting shares of any company or the making of any takeover offer.

Communication

The Board ensures a satisfactory dialogue with shareholders based on the mutual understanding of objectives

Board membership and other appointments

Approval of appointments to the Board, including the Chair and the Chief Executive Officer and the Company Secretary following recommendations by the Nomination Committee, as appropriate.

Remuneration

The Board determines the remuneration policy for the directors, company secretary and other senior executives, following recommendations from the remuneration committees.

Delegation of authority

The division of responsibilities between the Chairman and the Chief Executive are clearly established and agreed by the Board. This includes the delegated levels of authority of the Chief Executive's authority limits and establishing Board committees and approving their terms of reference and material changes thereto.

Corporate Governance matters

The Board undertakes a formal and rigorous annual review of its own performance, that of its committees and individual directors and the divisions of responsibilities. This includes considering the balance of interest between shareholders, employees, customers and the community and the review of the Group's overall corporate governance arrangements,

Policies

The Board is responsible for the approval of policies, including codes of conduct, share dealing code, bribery prevention policy, whistleblowing policy, health and safety policy, environmental and sustainability policy, human resources policy, communications policy, corporate social responsibility policy and charitable donations policy.

This schedule of matters is reserved for Board decisions. Matters which the Board considers suitable for delegation are contained in the terms of reference of its committees. In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.