

BURBERRY GROUP PLC
(the “Company”)

MATTERS RESERVED FOR BOARD DECISION

Board membership and other appointments

1. The appointment and removal of the Chair and Chief Executive Officer and other directors, following recommendations from the Nomination Committee.
2. Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.
3. The appointment and removal of the Senior Independent Director, following recommendation from the Nomination Committee.
4. The appointment and removal of the Company Secretary.
5. The approval of the terms of reference, membership and chairmanship of all Board committees and any changes thereto.
6. The division of responsibilities between the Chair and the Chief Executive Officer which should be clearly established, set out in writing and agreed by the Board.
7. Ensuring adequate succession planning for the Board and senior management based on merit and objective criteria and, within this context, promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

Strategy and management

8. Responsible for the overall leadership of the Group, setting the Group’s purpose, values and standards and satisfying itself that these are aligned with its culture.
9. On-going assessment and monitoring of the Group’s culture, including ensuring that policies, practices and procedures are aligned with the Group’s purpose, values and strategy.
10. Ensuring that views of shareholders and other key stakeholders are considered when making decisions, in order to promote the long-term sustainable success of the Group and its contribution to wider society.
11. Agreeing the structure of management and its responsibilities.
12. Establishing overall Group strategy, including new activities and withdrawal from existing activities.
13. Approving the Group’s commercial strategy and the annual operating budget.
14. Monitoring of the Group’s performance through the receipt of monthly reports and management accounts.
15. Ensuring that workforce policies and practices are consistent with the Group’s values and support its long-term sustainable success.

Acquisitions/divestments

16. Considering any takeover offers for other companies within the City Code on Takeovers and Mergers.

17. Agreeing the response to any approach regarding a takeover offer for the Company.
18. Approving any investments in other publicly listed companies.
19. Approving any acquisitions/divestments of legal entities except the acquisition of newly incorporated companies.
20. It is recognised that, for the most part, the process for the approval of acquisitions/divestments (including joint ventures) is a matter reserved for the Board subject to the following levels of delegated authority:
 - Chief Executive Officer's and Chief Operating and Financial Officers' approval - up to £25 million for the acquisition or divestment of assets; and
 - Chair's, Chief Executive Officer's and Chief Operating and Financial Officer's approval - up to £50 million for the acquisition or divestment of assets.

For the avoidance of doubt, the acquisition or divestment of any legal entity (other than the acquisition of any newly incorporated company) remains a matter reserved for the Board.

21. However, there will be occasions when the urgency of the transaction dictates that a decision will need to be made in advance of the next scheduled Board meeting. The process for dealing with these matters will be as follows:
 - the proposal will be circulated to all Board members together with an invitation to participate in a conferenced telephone meeting at which, if appropriate, a committee will be formed with the delegated authority to do all things necessary to complete the transaction; and
 - the committee will normally comprise the Chair, the Chief Executive Officer and the Chief Operating & Financial Officer.

Structure and Capital

22. Changes to the Group's capital structure including reduction of capital, share issues (other than in connection with the Group's share plans), share buybacks and the use of treasury shares.
23. Changes to the Company's listing or its status as a public limited company.

Financing

24. Approving new or refinancing of existing committed borrowing facilities or financings.
25. Approving any treasury matters above the limits delegated to the Treasury Committee as set out in the Treasury Policy.

Intellectual property

26. Approving all disposals of intellectual property. The Chair and Chief Executive Officer have unlimited expenditure authority in respect of the acquisition of intellectual property.

Licences/franchises

27. Approving all licence agreements with projected annual royalties of more than £10 million or for a period of more than 10 years. The approval of an agreement with a value below this level is delegated to the Chief Executive Officer.
28. Approving all franchise agreements for a period of more than 10 years. The approval of an agreement with a shorter term is delegated to the Chief Executive Officer.

Capital expenditure

29. Approving capital expenditure for a single project or a series of related projects, where the proposed expenditure exceeds £50 million subject to the following levels of delegated authority:
 - Chief Executive Officer's and Chief Operating and Financial Officer's approval - up to £25 million; and
 - Chair's, Chief Executive Officer's and Chief Operating and Financial Officer's approval - up to £50 million.

(Note: The acquisition of leasehold premises or leased equipment is subject to the same limits based on the lower of minimum lease payments or annual lease payments x 8).

30. In the case of projects requiring Board approval there will be occasions when urgency dictates that a decision will need to be made in advance of the next scheduled Board meeting. In such circumstances, the process outlined in paragraph 21 will apply.

Control, audit and risk management

31. Approving any significant changes in accounting policies or practices and any recommendations of the Audit Committee.
32. Agreeing internal control arrangements.
33. Establishing procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks the Group is willing to take in order to achieve its long-term strategic objectives.
34. At least annually, to conduct a review of the effectiveness of the Group's system of internal control and to report to shareholders in the Company's Annual Report that this has been done. The review is to cover all controls including financial, operational and compliance controls and risk management.
35. Carry out a robust assessment of the Group's emerging and principal risks and approve the Group's risk management strategy in light of its long-term strategic objectives.
36. Responsible for establishing formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions.
37. Approving, on an annual basis, the levels of delegated authority.
38. Agreeing the appointment, reappointment and removal of the external auditor following recommendations from the Audit Committee and proposing this to shareholders for approval.

Remuneration

39. Determining the Group's remuneration policy for executive directors, Company Secretary and other senior management and its cost in the light of recommendations made by the Remuneration Committee.
40. Determining the remuneration of the non-executive directors, subject to the Articles of Association and shareholder approval as appropriate.
41. The introduction of new share incentive plans, or major changes to existing plans, to be put to shareholders for approval.

Pension schemes

42. Approving the Group's Pension Policy and the appointment of trustees of the Group's pension schemes (if any).

Financial reporting and controls

43. Approving the interim and annual financial statements, having satisfied itself on the integrity of all financial and narrative statements.
44. Approving the Annual Report (including the Strategic Report, Corporate Governance Statement and Directors' Remuneration Report).
45. On the recommendation of the Audit Committee, approving any significant changes in accounting policies or practices.
46. Approving the dividend policy and the declaration of the interim dividend and recommendation of the final dividend.
47. The responsibility for the annual review and approval of the Group's Treasury Policy is delegated to the Audit Committee. The Audit Committee will make recommendations for final approval by the Board.
48. The Chief Executive Officer has the responsibility for monitoring compliance with the Group's Treasury Policy and with laid down authority limits.

Formal

49. The provision of guarantees by the Company, the general policy being that such guarantees will not be given other than in exceptional circumstances.
50. Approving all Stock Exchange/FCA circulars/formal listing procedures.
51. Any material press announcement or media briefing of a corporate or financial nature.
52. The convening of General Meetings and approval of resolutions and documentation to be put to the shareholders at such meetings.

Corporate governance matters

53. Approval of any changes to the Company's Articles of Association.

54. Agreeing the responsibilities of the Chair, Chief Executive Officer, Senior Independent Director, Board Committees and the Board and publishing them on the Company's website.
55. Undertaking a formal and rigorous annual review of the Board's own performance, that of its committees and individual directors.
56. Determining the independence of non-executive directors.
57. Taking action to identify and eliminate conflicts of interests, including those resulting from significant shareholdings and authorising conflicts of interest where permitted by the Company's Articles of Association.
58. Ensuring effective engagement with, and encouraging participation from, shareholders and stakeholders.
59. Receiving reports on the views of the Company's shareholders to ensure that they are communicated to the Board as a whole.
60. Considering the balance of interests between shareholders, employees, customers and the community.

Reputational issues

61. Considering and reviewing matters materially affecting the reputation or financial position of the Company or its subsidiaries.

Whistleblowing

62. Reviewing arrangements by which the workforce may, in confidence and anonymously, raise concerns and ensuring that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

Miscellaneous

63. Approving Group policies, including but not limited to:
 - political donations;
 - prosecution, defence or settlement of any litigation of a material or unusual nature;
 - inside information policy;
 - share dealing code;
 - anti-bribery and corruption;
 - environmental issues;
 - ethics;
 - statement in relation to Modern Slavery Act 2015 and Transparency in Supply Chains Act of 2010;
 - community involvement including the Group's policy regarding charitable donations;
 - directors' and officers' liability insurance; and

- code of conduct.

Urgent matters

64. In the event that an urgent matter arises, which is outside the authority given to the Chief Executive Officer and which needs to be dealt with between normally scheduled Board meetings, the Company Secretary will:
- circulate a paper with all relevant information to all Board members together with an invitation to participate in a conferenced telephone meeting at which, if appropriate, a committee, usually to comprise the Chair, Chief Executive Officer and the Chief Operating & Financial Officer, will be formed with the delegated authority to do all things necessary to complete the transaction; or
 - circulate a paper with all relevant information and endeavour to obtain the unanimous approval of all directors by means of a written resolution.
 - It is recognised that these procedures should balance the need for urgency with the over-riding principle that each director should be given as much information as possible and have the opportunity to requisition an emergency meeting of the Board to discuss the matter prior to a commitment being made on the part of the Company.

Notes:

The Schedule of Matters Reserved for the Board was last amended on 14 March 2019.