



## DFS FURNITURE PLC (the “Company”)

### Schedule of matters reserved for the Board

The Board is responsible for overall leadership and promoting the long-term sustainable success of DFS Furniture plc and its subsidiaries (the “Group”). Day to day management is delegated to the Group Chief Executive.

Other matters that the Board considers suitable for delegation are set out in the terms of reference of its Audit, Remuneration, Nominations and Responsible, Sustainable Business Committee.

The following matters are reserved for the decision of the Board.

<b>1. Strategy and management.</b>
1.1 Approval of the Group’s purpose values and strategy ensuring alignment to the Group’s culture
1.2 Approval of the Group’s strategic aims and objectives including the Group’s Environmental, Social and Governance (“ESG”) Strategy as recommended by the Responsible and Sustainable Business Committee
1.3 Approvals of the annual operating and capital expenditure budgets and any material changes to them.
1.4 Oversight of the Group’s operations ensuring: 1.4.1 competent, prudent, and effective management; 1.4.2. sound planning; 1.4.3. a strong internal control system; 1.4.4. adequate accounting and other records; and 1.4.5 compliance with statutory and regulatory obligations.
1.5 Review of performance in the light of the Group’s strategic aims, objectives, 4 year business plans and budgets and ensuring that any necessary corrective action is taken.
1.6 Extension of the Group’s activities into new and material business or geographic areas.

1.7	Any decision to cease to operate all or any material part of the Group's business.
1.8	Ensuring consideration is given to the balance of interests between the various stakeholders of the Group including shareholders, employees, customers, suppliers, and the community.
<b>2.</b>	<b>Structure and Capital</b>
2.1	Changes relating to the Group's share capital structure including reduction of capital, share issues (except under employee share plans), share buy backs including the use of treasury shares.
2.2	Changes to the Group's corporate structure, including, but not limited to acquisitions and disposals of shares which are material relative to the size of the Group in question (considering initial and deferred consideration).
2.3	Changes to the Group's management and control structure.
2.4	Any changes to the company's listing or its status as a plc.
2.5	Approve any change to the accounting reference date, registered office, or the name of the Company
2.6	Recommend any alterations to the memorandum and articles of association of the Company.
2.7	Make any decisions relating to any changes to the Company's listing, the markets on which its securities are traded or its status as a public limited company.
<b>3.</b>	<b>Financial reporting and controls</b>
3.1	Approval of the half-yearly report, interim management statements and any preliminary announcement of the final results as recommended by the Audit and Risk Committee.
3.2	Approval of the annual report and accounts, including the corporate governance statement and directors' remuneration report, <sup>1</sup> and the interim report of the Company as recommended by the Audit and Risk Committee.
3.3	Approval of the capital and dividend policy.
3.4	Declaration of the interim dividend and recommendation of the final dividend, authorise dividend payment, transfers to reserves and appropriations of profit by the Company.
3.5	Approval of any significant changes in accounting policies or practices.
3.6	Approval of treasury policies including foreign currency exposure and the use of financial derivatives.

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3.7	Approval of material unbudgeted capital or operating expenditures (outside pre-determined tolerances).
3.8	Authorise charitable contributions of more than £10,000.
<b>4.</b>	<b>Treasury</b>
4.1	Approve all treasury policies.
4.2	Approve any guarantees and letters of comfort where the amount of the loan or liability exceeds £20m for subsidiaries or £1 million for third parties.
4.3	Approve the issue of loan stocks and bonds, delegating authority as appropriate to finalise details.
4.4	Approve in principle the entry into or material amendment of loan facilities, and security, debt factoring and sale and leaseback arrangements, delegating authority as appropriate to finalise details.
4.5	Review twice each year proposals in respect of the management of balance sheet foreign exchange exposure and the use of financial derivatives.
4.6	Approve proposals for the placing of deposits exceeding £25 million with individual banks.
4.7	Approve finance and operating leases where the capital value of the assets exceeds £10m.
<b>5.</b>	<b>Internal controls</b>
5.1	Ensuring the design, implementation, and maintenance of a framework of prudent and effective controls that enable risks to be assessed and managed.
5.2	Determining the nature and extent of the principal and emerging risks faced and the risks the Company is willing to take in achieving its long-term strategic objectives;
5.3	Agreeing how the principal risks should be identified, managed, or mitigated to reduce the likelihood of their incidence or their impact.
5.5	Approving and monitoring procedures for the detection of fraud and the prevention of bribery
5.6	Monitoring and reviewing the group's risk management and control processes and their effectiveness in supporting its strategy and objectives; and
5.7	Ensuring sound internal and external information and communication processes are in place and taking responsibility for external communication on risk management and internal control, including approving the statement for inclusion in the annual report.
5.8	These duties have been delegated to the Audit and Risk Committee.
<b>6.</b>	<b>Strategic and Contractual matters</b>

6.1	Approval of capital projects, the cost of which exceeds £5 million.
6.2	Approve the Company or a subsidiary entering into a lease of land or any other agreement where the total rental expenditure during the contract term is exceed £3 million.
6.3	Approve the Company or a subsidiary entering into material agreements, which are material strategically or by reason of value, for example bank facility agreement, the acquisitions or disposals of fixed assets (including intangible assets such as intellectual property) contract which are material by reason of value are those where the total expenditure during the term of the agreement will exceed £25 million or where the annual committed spend exceeds £10m.
6.4	Approve any contracts (other than property leases) with a minimum term of over five years.
6.5	Approve transactions of the Company and its subsidiaries that are material, e.g. reverse takeovers, class 1 (over 25% class test threshold), class 2 (over 5% class test threshold), related party transactions, the issue of shares or any class of listed security, any transaction involving an activity of a type not previously carried on by the Company and a takeover bid subject to the Takeover Code.
<b>7. Communication with shareholders</b>	
7.1	Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.
7.2	Approval of resolutions and corresponding documentation (Notice of Meeting) to be put forward to shareholders at a general meeting.
7.3	Approval of all circulars, prospectuses and listing particulars.
7.4	Approval of press releases concerning matters decided by the Board.
<b>8. Board membership and other appointments</b>	
8.1	Changes to the structure, size, and composition of the Board, following recommendations from the nomination committee.
8.2	Ensuring adequate succession planning for the Board and senior management so as to maintain an appropriate balance of skills and experience within the Company and on the Board.
8.3	Approve appointments to the Board, following recommendations by the nomination committee.
8.4	Election of the Chair of the Board and the Group Chief Executive.
8.5	Appointment of the Senior Independent non-executive director to provide a sounding Board for the Chair and to serve as intermediary for the other directors when necessary.
8.6	Membership and chair of Board committees following recommendations from the nomination committee.

8.7	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.
8.8	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.
8.9	Appointment or removal of the Company Secretary.
8.10	Appointment, reappointment, or removal of the external auditor to be put to shareholders for approval in general meeting, following the recommendation of the audit committee.
8.11	Appointments to the board of directors of subsidiary companies (delegated to the Group Chief Executive Officer).
8.12	Approval of Executive Director's request to accept outside appointments.
8.13	Approval of arrangements relating to the resignation of Board directors.
<b>9.</b>	<b>Remuneration</b>
9.1	Determining the remuneration policy for the Executive directors, Company Secretary, and other senior executives, who are members of the GLT or report to the CEO.
9.2	The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.
9.3	Providing oversight to ensure that appropriate reward systems have been embedded throughout the organisation.
9.4	The above duties have been delegated to the Remuneration Committee.
9.5	The Board will be responsible for determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate. No director shall be involved in any decision regarding their own remuneration;
<b>10.</b>	<b>Delegation of authority</b>
10.1	The division of responsibilities between the Chair, the Group Chief Executive, the Senior Independent Director, and other Executive directors,
10.2	Approval of the levels of delegated authority, including the Group Chief Executive's authority limits (which must be in writing) that of other Executive director's and senior managers.
10.3	Establishing board committees and approving the terms of reference of the Audit Committee, the Remuneration Committee, the Responsible and Sustainable Business Committee and the Nomination Committee and approving material changes to the terms of reference of any board committee.

10.4	Receiving reports from board committees on their activities & approving any recommendations from the audit remuneration or nomination committees.
<b>11. Corporate governance matters</b>	
11.1	Arranging a formal and rigorous annual evaluation of the Board's performance that of its committees the Chair and individual directors, in accordance with the UK Corporate Governance Code
11.2	Determining the independence of non-executive directors in light of the factors set out in the UK Corporate Governance Code.
11.3	Considering the balance of interests between shareholders, employees, customers, and the community.
11.4	Overseeing the Group's overall corporate governance arrangements.
11.5	Receiving regular reports on the views of the company's investors to ensure that they are communicated to the Board as a whole.
11.6	Authorising conflicts of interest where permitted by the Company's articles of association.
11.7	Recommendations for the alteration of the articles of association of the Company.
<b>12. Policies</b>	
12.1	<p>Approval of the following policies or statements, including:</p> <ul style="list-style-type: none"> <li>• <b>Anti Bribery and Corruption policy;</b></li> <li>• <b>DFS Group Code of Conduct;</b></li> <li>• <b>Share Dealing Code;</b></li> <li>• <b>Gender Pay Gap Report</b></li> <li>• <b>Group Whistleblowing policy;</b></li> <li>• <b>Health and safety policy;</b></li> <li>• <b>Environmental policy;</b></li> <li>• <b>Equal Opportunity policy;</b></li> <li>• <b>Equity, Diversity Inclusivity Policy,</b></li> <li>• <b>Communications policy including procedures for the release of price-sensitive information;</b></li> <li>• <b>Capital and Distribution policy;</b></li> <li>• <b>Data Protection policy;</b></li> <li>• <b>Modern Slavery Act -S54 Statement; and the</b></li> <li>• <b>Group Tax Strategy.</b></li> </ul>
<b>13 Other</b>	

13.1	Approval of the appointment of the Group's principal professional advisers.
13.2	Prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism involving above £3m or being otherwise material to the interests of the Group.
13.3	Approval of the overall levels of insurance for the Group including directors' & officers' liability insurance and indemnification of directors.
13.4	Major changes in retirement benefits schemes rules or pension provider.
13.5	Any decision likely to have a material impact on the company or Group from any perspective, including, but not limited to, financial, operational, strategic, or reputational.
13.6.	Such other matters as the Board may determine from time to time.
13.8	Any change to this schedule of matters reserved for Board decisions.

All other matters that have a material impact upon the company or any of its subsidiaries will be referred to the Board. However, the final decision to be taken on such matters remains with the Board.

Approved by the Board on 18 September 2024