DFS GROUP

DFS Furniture plc

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 ("the Company ") and its subsidiaries together (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 for its Audit & Risk, Remuneration, Nominations and Responsible and Sustainable Business Committees.

1. Strategy and management

1.1. Approval of the Group's purpose, values and strategy ensuring alignment to culture.

1.2. Approval of the Group's strategic aims and objectives, including the Group's Environmental, Social and Governance strategy as recommended by the Responsible and Sustainable Business Committee.

1.3. Annual operating and capital expenditure budgets and any material changes to them.

1.4. Oversight of the Group's operations:
- competent and prudent management;
- sound planning;
- an adequate system of risk management and internal control;
- appropriate focus on the Company's sustainability strategy;
- adequate accounting and other records; and
- compliance with statutory and regulatory obligations

1.5. Review of performance in the context of the Group's long-term strategic objectives, 4 year business plans and annual operating budgets and ensure that any necessary corrective action is taken.

1.6. Extension of the Group's activities into new and material business or geographical areas.

1.7. Major investments, joint ventures and acquisitions or disposals.

1.8. Any decision to cease to operate all or any material part of the Group's business.

1.9. Ensuring consideration is given to the balance of interests between the various stakeholders of the Group.

1.10. Ensure that workforce policies and practices are consistent with the Group's values and support its long-term sustainable success.

2. Structure and Capital

2.1. Approval of any changes to the Group's share capital structure including reduction of capital share issues and share buy backs.

2.2. Approval of any material changes to the Group's corporate structure.

2.3. Approval of any material changes to the Group's management and control structure.
2.4. Approval of any change to the accounting reference date.
2.5. Any changes to the Company's listing or its status as a plc.
2.6. Approval of any recommendation to amend the memorandum and articles of association of the Company or change the name or registered office of the Company.

3. Financial reporting and controls

3.1. Approval of the preliminary announcement of interim and final results and trading updates as recommended by the Audit Committee.
3.2. Approval of the annual report and accounts.
3.3. Approval of the dividend policy.
3.4. Approval of interim and recommendation to shareholders of final dividends.
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.
3.7. Approval of material unbudgeted capital or operating expenditures over £5m.
3.8. Appointment, reappointment or removal of the external auditor, subject to shareholder approval, upon recommendation from the Audit & Risk Committee.

4. Treasury

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 any property, finance or operating leases where the capital value of the assets exceeds £5m.

5. Internal Controls and Risk Management

5.1. Oversight of internal control systems and risk management processes at least on an annual basis and reporting on the effectiveness of these internal control systems and risk management processes.
5.2. Establishing and maintaining an effective framework and approach to risk management and internal controls, including:
- approving the Group's risk appetite statement;
- determining the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives;
- monitoring and reviewing the Group's risk management and internal

control systems, and satisfying itself that they are functioning effectively, and that corrective action is being taken where necessary; and

- carrying out a robust assessment of the Group's emerging and principal risks.

5.3 Approving appropriate statements and declarations for inclusion in the Annual Report and Accounts.

5.4 Approving and monitoring procedures for the detection of fraud and the prevention of bribery

5.5 These duties have been delegated to the Audit & Risk Committee.

6. Contractual Matters

6.1. Approval of capital projects, the cost of which exceeds £5 million.

6.2. Approval of any contractual commitment above £5m: all costs being committed should be amalgamated to assess whether the cumulative £5m threshold is reached; in the case of commitments to long term leases (e.g. for property), the full value of the lease payments up to the Company's or its subsidiaries, first opportunity to break the lease should be taken into account.

6.3. Approval of any guarantees and letters of comfort where the amount of the loan or liability exceeds £20m for subsidiaries or £1m for third parties.

6.4. Any contract proposed to be entered into by Company or one of its subsidiaries which is not in the normal course of business.

6.5. Approval of treasury policies, including policies relating to foreign currency exposure and the use of financial derivatives, and any material change to such policies. Execution of treasury activities in accordance with approved policies is delegated to management.

6.6. Any new bank facility agreement (the Board must be notified of any new bank accounts including changes to the bank mandates or on the facility).

7. Communications

7.1. Maintain constructive shareholder engagement.

7.2. Approve resolutions to be put forward to shareholders at a general meeting and any circulars, prospectuses and listing particulars.

7.3. Approval of regulatory news or press releases concerning matters decided by the Board which could affect the Company's reputation.

8. Board membership and other appointments

8.1. Approval of any changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.

8.2. Ensuring plans are in place for an orderly succession planning for the Board and senior management to maintain a diverse succession pipeline.

8.3. Appointments to the Board following recommendations from the Nomination Committee.

8.4. Appointment of directors of subsidiary companies is delegated to the Chief Executive Officer.

8.5. Selection of the Chair and Chief Executive Officer, following a recommendation from the Nomination Committee.

8.6. Approval of arrangements relating to the appointment or resignation of Board

Directors, membership and chair of Board Committees, following recommendations from the Nomination Committee.

8.7. Appointment of the Senior Independent Non-Executive Director.

8.8. Appointment or removal of the Company Secretary.

8.9. Approval of any Executive Director's request to accept outside appointments.

8.10. Continuation in office of any Director (including the suspension or termination of service of an officer as an employee of the company, subject to the applicable law and their service contract) and the recommendation of any Director for election or re-election by shareholders at the annual general meeting.

8.11. Appointment, reappointment or removal of the external auditor to be put to shareholders in a general meeting, following the recommendation of the Audit & Risk Committee.

9. Remuneration

9.1. Determination of the remuneration policy for the Executive directors, the Company Secretary, and members of the Group Leadership Team.

9.2. Approval of the introduction of new share incentive plans or major changes in employee share schemes and long-term incentive plans, to be put to shareholders for approval, as recommended by the Remuneration Committee.

9.3. The Board will be responsible for determining the remuneration of the non-executive directors. No director shall be involved in any decision regarding their own remuneration.

9.4. Provide oversight of the Group's reward systems.

9.5. These duties are delegated to the Remuneration Committee.

10. Delegation of Authority

10.1. Determining the division of responsibilities between the Chair of the Board, the Chief Executive Officer, and the Senior Independent Director.

10.2. Approval of the levels of delegated authority.

10.3. Establishment of Board committees, approval of the terms of reference of board committees and any material changes to those terms of reference.

10.4. Receiving reports from Board committees on their activities and approval of their recommendations.

11. Corporate Governance

11.1. Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors.

11.2. Assessing the independence of non-executive directors.

11.3. Authorisation of any actual of potential conflicts of interest

11.4. Review of the Group's overall corporate governance arrangements.

11.5. Receiving reports on the views of the Company's shareholders and other stakeholders.

12. Policies

Approval of the following policy statements and significant changes to them:

12.1. Anti-Bribery and Corruption policy;
12.2. DFS Group Code of Conduct;
12.3. Share Dealing Code;
12.4. Capital and Distribution policy;
12.5. Group Tax Strategy;
12.6. Whistleblowing policy;
12.7. Health and Safety policy;
12.8. Environmental policy;
12.9. Gender Pay Gap Report;
12.10. Board Equity, Diversity & Inclusion policy;
12.11. Data Protection policies;
12.12. Modern Slavery Policy & Statement,
12.13. Anti-slavery and human trafficking policy; and
12.14. Delegation of Authority Policy

13. Other

13.1. Approval of the appointment of the Group's principal professional advisers.
13.2. Any making of political donations
13.3. Prosecution, commencement, defence, or settlement of litigation or an alternative dispute resolution mechanism above £5m or being otherwise material to the interests of the Group.
13.4. Approval of the overall levels of insurance for the Group including Directors' and Officers' Liability Insurance and indemnification of directors.
13.5. Major changes in retirement benefits scheme rules.
13.6. Any decision or matter likely to have a material impact on the Group from any perspective including, but not limited to, financial, operational, strategic or reputational.
13.7. Any changes to this Schedule of Matters reserved for the decision of the Board.
13.8. Such other matters as the Board may determine from time to time.

Approved by the Board on 8 July 2026