

AVEVA GROUP PLC
(the "Company")

LIST OF MATTERS RESERVED FOR DECISION
BY THE FULL BOARD OF DIRECTORS

1. INTRODUCTION

- 1.1 The role of the board of directors of the Company (the "**Board**") is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board should set the Company's strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance. The Board should set the Company's values and standards and ensure that its obligations to shareholders and others are understood and met.
- 1.2 All directors must act in what they consider to be the best interests of the Company consistent with their statutory duties.
- 1.3 The following paragraphs are a statement of the matters reserved to the Board for its collective decision. Certain of the matters stand referred for consideration and recommendation by the Nominations, Audit and Remuneration Committees of the Board, according to the terms of reference of those committees.
- 1.4 This statement does not preclude:
- the delegation of authority to a committee of the Board or to an individual director to approve a matter within such limits as are set by the Board when it makes the decision to delegate;
 - the Board from calling for reports and recommendations from time to time on any matter it considers of group-wide significance; or
 - amendment of this schedule from time to time as the Board may determine.
- 1.5 Matters marked with an asterisk (*) are not considered to be suitable for delegation to a committee of the Board, for example, because of Companies Act requirements or because, under the recommendations of the UK Corporate Governance Code, they are the responsibility of an Audit, Nomination or Remuneration committee, with the final decision required to be taken by the Board as a whole.
- 1.6 The Board shall give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code, the requirements of the UK Listing Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules, any other applicable rules, and as required by the UK Listing Authority's Listing Rules. The Board shall further give due consideration to the terms of the relationship agreement dated 1 March 2018 between the Company and Schneider Electric SE (the "**Relationship Agreement**"), as appropriate. The Company and Schneider Electric entered into the Relationship Agreement in connection with the AVEVA group's combination with Schneider Electric's software business. Further details of the Relationship Agreement are set out in the paragraph 3.7 of Part XII of the combined prospectus and circular dated 5 September 2017 published by the Company, which is available on the Company's website. This list of matters reserved for decision by the Board is subject to appropriate additional provisions as provided under the Relationship Agreement.

2. STRATEGY AND MANAGEMENT

- 2.1 Responsibility for the overall leadership of the Company and setting the Company's values and standards.

- 2.2 Approval of the group's strategic aims and objectives.
- 2.3 Approval- of the annual operating and capital expenditure budgets or business plan and any material changes to them.
- 2.4 Oversight of the group's operations ensuring:
 - competent and prudent management;
 - sound planning;
 - maintenance of sound management and internal control systems;
 - appropriate understanding of the attitude of customers and the group's competitive position;
 - adequate accounting and other records; and
 - compliance with statutory and regulatory obligations.
- 2.5 Review of performance in the light of the group's strategic aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 2.6 Extension of the group's activities into new business or geographic areas.
- 2.7 Any decision to cease to operate all or any material part of the group's business.

3. **STRUCTURE AND CAPITAL**

- 3.1 Changes relating to the group's capital structure including reduction of capital, share issues, share buy backs (including the use of treasury shares) and refinancing debt.
- 3.2 Major 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 (taking into account initial and deferred consideration).
- 3.3 Major changes to the group's management and control structure.
- 3.4 Any changes to the Company's listing or its status as a plc.
- 3.5 Subject to the appropriate authority from the shareholders, the allotment of unissued shares in the capital of the Company.

4. **FINANCIAL REPORTING AND CONTROLS**

- 4.1 *Approval of the half-yearly report, interim management statements and any preliminary announcements of final results.
- 4.2 *Approval of the annual report and accounts, including the corporate governance statement and directors' remuneration report.
- 4.3 *Approval of the dividend policy.
- 4.4 *Declaration of the interim dividend and recommendation of the final dividend.

- 4.5 *Approval of any significant changes in accounting policies or practices including the accounting reference date or registered office of AVEVA Group plc.
- 4.6 Approval of treasury policies including foreign currency exposure and the use of financial derivatives.
- 4.7 Approval of unbudgeted capital or operating expenditures of more than £1 million.

5. **INTERNAL CONTROLS**

- 5.1 Ensuring maintenance of a sound system of internal control and risk management including:
- Approving the Company/group's risk appetite statements;
 - Receiving reports on, and reviewing the effectiveness of, the group's risk and control processes to support its strategy and objectives;
 - Approving procedures for the detection of fraud and the prevention of bribery;
 - Undertaking an annual assessment of these processes;
 - Approving an appropriate statement for inclusion in the annual report.

6. **CONTRACTS**

- 6.1 Approval of major capital projects over £3m and oversight over execution and delivery.
- 6.2 Contracts which are material strategically or by reason of size, entered into by the Company or, in the case of a subsidiary, recommendations for approval in the ordinary course of business, for example
- (a) Bank borrowings above £5 million.
 - (b) Acquisitions or disposals of fixed assets (including intangible assets such as intellectual property) above £2 million.
 - (c) Major customer sales contracts with a value in excess of £10 million.
 - (d) Entering into finance or operating lease where the capital value of the asset exceeds £1 million.
 - (e) Guarantees and letters of comfort by the Company where the amount of the relevant loan or other liability exceeds £1 million for a group company or any amount for a person connected with the Company
- 6.3 Contracts of the Company or any subsidiary not in the ordinary course of business, for example
- (a) loans and repayments above £5 million;
 - (b) major acquisitions or disposals above £2 million.
- 6.4 Major investments including
- (a) the acquisition or disposal of an interest in the voting shares of any company or the making of any takeover offer; or

- (b) any investment in any joint venture company and the terms of any joint venture agreement, shareholders' agreement or similar agreement governing the operation of any joint venture company

- 6.5 Approval of any other transaction that would constitute a Class 2 transaction under the Listing Rules.
- 6.6 Acceptance of uncapped/unlimited liability for Company in customer contracts.
- 6.7 Contracts and similar arrangements set out in the Sales Approval policy matrix from time to time.

7. **COMMUNICATION**

- 7.1 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.
- 7.2 Ensuring that there is satisfactory communication and engagement with employees.
- 7.3 Approval of the notice, resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 7.4 *Approval of all circulars, prospectuses and listing particulars. Approval of routine documents such as periodic circulars about scrip dividend procedures or exercise of conversion rights may be delegated to a committee.
- 7.5 *Approval of press releases concerning matters decided by the Board.

8. **BOARD MEMBERSHIP AND OTHER APPOINTMENTS**

- 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 *Appointments to the Board, following recommendations by the nomination committee.
- 8.4 *Selection of the chairman of the Board and the chief executive.
- 8.5 *Appointment of the senior independent director Board
- 8.6 *Membership and chairmanship 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 Appointment or removal of the chief executive, chief financial officer, chief operating officer and any other executive directors and those who report directly to the chief executive.

9. **REMUNERATION**

9.1 Determining the remuneration policy for the directors, company secretary and other senior executives.

9.2 Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.

9.3 *The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.

10. **DELEGATION OF AUTHORITY**

10.1 *The division of responsibilities between the chairman, the chief executive and other executive directors, which should be clearly established, set out in writing and agreed by the Board.

10.2 *Approval of the delegated levels of authority, including the Chief Executive's authority limits (which must be in writing).

10.3 *Establishing Board committees and approving their terms of reference, and approving material changes thereto.

10.4 *Receiving reports from Board committees on their activities.

11. **CORPORATE GOVERNANCE MATTERS**

11.1 *Undertaking a formal and rigorous annual review of its own performance, that of its committees and individual directors, and the division of responsibilities.

11.2 *Determining the independence of non-executive directors in light of their character, judgment and relationships.

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

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

11.5 *Receiving reports on the views of the Company's shareholders 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.

12. **POLICIES**

12.1 Approval of key group-wide policies, including but not limited to Code of Conduct, Share dealing code, Bribery prevention policy, Whistleblowing policy, Health and safety policy, Environmental and sustainability policy, Human resources policy, Communications policy

including procedures for the release of price sensitive information, Corporate social responsibility policy and Charitable donations policy.

13. **OTHER**

- 13.1 The making of political donations.
- 13.2 Approval of the appointment of the group's principal professional advisers.
- 13.3 Prosecution, commencement, defence or settlement of litigation or an alternative dispute resolution mechanism involving £1 Million or otherwise being material to the interests of the group.
- 13.4 Approval of the overall levels of insurance for the group including Directors' & Officers' liability insurance and indemnification of directors.
- 13.5 Major changes to the rules of the group's pension scheme, or changes of trustees or when this is subject to the approval of the Company changes in the fund management arrangements.
- 13.6 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.
- 13.7 This schedule of matters reserved for Board decisions.
- 13.8 Approval of all related party transactions (as defined under Section 33 of FRS102 "Related party disclosures") which would require disclosure in the financial statements.
- 13.9 Recommendations to shareholders to alter the Company's authorised share capital, the Company's name or the memorandum and articles of association of the Company.