

# Corporate Governance Policy

PHX084

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# Policy Statement

The objective of this document is to formalise the Corporate Governance Guidelines and Limits of Authority for the Phoenix Software Limited Board, Executive Management Committee, and individuals, to establish a clearly understood platform for sound corporate governance of the company.

The guidelines and limits set out herein will be subject to scrutiny and commented upon by the company's auditors.

## Intended Audience

This document is intended for all employees and interested parties in reference to corporate governance within Phoenix.

## 1. Consequences Of Non-Adherence

Failure to adhere to this document may lead to disciplinary action as outlined in the Company Handbook.

## 2. Definitions

The following groups and individuals are defined for the purpose of allocating authority levels.

### 2.1 Phoenix Board

Neil Murphy	UK Group CEO
Andrew Holden	UK Group CFO
Samantha Mudd	Managing Director
Paul Emms	Director of Group Finance
Simon Rippon	Finance Director
Clare Metcalfe	Operations Director

### 2.2 Phoenix Executive Management Committee

Samantha Mudd	Managing Director
Paul Emms	Director of Group Finance
Simon Rippon	Finance Director
Clare Metcalfe	Operations Director

## 2.3 Individuals

### **Class A Signatories**

- Neil Murphy
- Andrew Holden
- Samantha Mudd
- Paul Emms
- Simon Rippon
- Clare Metcalfe

### **Class B Signatories**

- |                       |                    |                    |
|-----------------------|--------------------|--------------------|
| • Richard Barwick     | • Andy Livesey     | • Jonathan Scott   |
| • David Chamberlain   | • Ben Lopez        | • Susanne Scott    |
| • Paul Chesworth      | • Lisa Malarkey    | • Jane Singleton   |
| • Natalie Cliff       | • Keith Martin     | • Abbey Simpson    |
| • Lucie Collings      | • Fay Mercer       | • Matthew Talbot   |
| • Jason Davies        | • Darren Moore     | • Craig Taylor     |
| • Debbie Dean         | • Ben Murden       | • Emma Taylor      |
| • Greg Dean           | • Mark Pickersgill | • Shaun Tosler     |
| • Jayne Goddard       | • Ben Rayner       | • Becky Wilson     |
| • Darren Goldsborough | • Sean Robinson    | • Kevin Wootton    |
| • Trevor Hutchinson   | • Jennifer Wilson  | • David Hardcastle |
| • Natasha Jefferson   | • Ian Roscoe       |                    |
| • Robert Kilby        | • Paul Scaling     |                    |

NOTE: A signing B signatory must always be from the relevant department. When the word 'signatory' is used, e-mail authorisation will be acceptable.

### **Class C Signatories**

- All other employees

## 2.4 Phoenix Remuneration Committee

Samantha Mudd	Managing Director
Paul Emms	Director of Group Finance
Simon Rippon	Finance Director
Clare Metcalfe	Operations Director

## 3. General Signature Policy

3.1 In all cases where one or more class A signatories are required for approval:

At least one of either the MD, FD, GFD or Ops Dir must be one of the signatories. If none of the MD, FD, GFD or Ops Dir are available and the matter cannot be delayed, verbal approval and retrospective evidence by e-mail or voice mail will be accepted until such time as the signatory is available.

### 3.2 Delegation of Authority

Where a signatory has cause to delegate signatory and/or approval authority, where possible such delegation of authority shall be recorded in email to the delegated person. Signatory's should ensure that delegated authority is in place prior to any planned absence.

## 4. Capital Expenditure

4.1 If assets are leased or otherwise financed, the same authorities as for purchase will apply.

4.2 All assets with a purchase value of £500 or more will be deemed to be purchases or disposals of a capital nature and will require authorities as per below;

£20,000+	2 x <b>A</b> signatories (including 1 x from NM/AH)
£10,000+	2 x <b>A</b> signatories
£1,000 - £9,999	1 x <b>A</b> signatory and 1 x <b>B</b> signatory
£0 - £999	At least 1 x <b>B</b> signatory

## 5. Marketing

5.1 Marketing expenses include those that have been fully funded and also not fully funded by a third party such as a supplier or principal, i.e. there is no cost to the company:

£10,000+	2 x <b>A</b> signatories
£1,000 - £9,999	1 x <b>A</b> signatory and 1 x <b>B</b> signatory
£0 - £999	At least 1 x <b>B</b> signatory

## 6. Staff Training

6.1 All training requests must be approved by the employee's line manager.

6.2 All training requests that represent a cost to the company must be accompanied by an employee agreement to reimburse the company if such employee leaves within 6 months of completing the training. Training requests in excess of £2,000 must be accompanied by an employee agreement to reimburse the company if such employee leaves within 12 months of completing the training.

6.3 All training course and exam costs will require the authorities as per below:

Individual exam costs below £100 do not require authorisation.

Total cost of training course:

£10,000+	2 x <b>A</b> signatories
£1,000 - £9,999	1 x <b>A</b> signatory and 1 x <b>B</b> signatory
£0 - £999	At least 1 x <b>B</b> signatory

## 7. Miscellaneous Expenses

7.1 All other miscellaneous expenses will require the authorities as per below. Please note monthly subscription requests should be authorised based their full contract value. Where the contract length may be evergreen base the calculations on 12 months value.

£10,000+	2 x <b>A</b> signatories
£1,000 - £9,999	1 x <b>A</b> signatory and 1 x <b>B</b> signatory
£0 - £999	At least 1 x <b>B</b> signatory

## 8. Travel, Accommodation, and Entertainment

The travel policy rules as per the Company Handbook (Signatories as below):

£10,000+	2 x <b>A</b> signatories
£1,000 - £9,999	1 x <b>A</b> signatory and 1 x <b>B</b> signatory
£0 - £999	At least 1 x <b>B</b> signatory

Except for Concur Expense approval remains in line with the current approval process

## 9. Anti-Bribery Policy

Please refer to the Fraud, Bribery and Money Laundering Policy located on SharePoint.

## 10. Human Resources

10.1 All recruitment, including contractors require 2 x A signatories except that recruitment of new direct reports to the Phoenix Managing Director also required approval by the BTG PLC CEO

10.2 All dismissals, notwithstanding provisions of employment law, are to be approved by: Department Manager, HR Manager and 1 x **A** signatory

10.3 All individual revised payment packages, including commission schemes and target reductions requires 2 x **A** signatories subject to:

- The overall pay budget approved by the BTG PLC Board (including instruction around overall percentage limit on pay increases).
- Any annual cost of living pay rise or year-end companywide bonus payments must be approved by the BTG PLC Board.
- Executive Committee pay changes must be approved by the BTG CEO.

## 11. Company Acquisitions and Disposals

All company acquisitions and disposals are to be authorised by the Bytes Technology Group Plc Board.

## 12. Offers To Customers (Quotations, Bids, Tenders, Proposals And Services Contracts Etc)

12.1 All quotes and orders added to Oasis have a default minimum gross profit markup of 20%. Each account manager can set their own markup rules for their account but require the Sales Directors written authority to create a rule that reduces to cost or below. Any Oasis order that falls below the system mark-up are electronically authorised by their Sales Manager, Sales Director, or A Signatory.

Any orders with a total sell value of £200k or more are electronically authorised by the Sales Manager/Sales Director and by the Finance Director, Finance Controller or Management Accountant.

### Flow of offer process

- Offering – determine the customer requirement and identify the relevant contracts required
- Contract terms - authorisation requirements
- Commercials – any potential losses to be authorised
- Technical and Service Deliverables – scoped, validated and authorised
- Final Contract Sign Off – Countersign of customer offer

### Offering - new or existing

All offers need to be supported by an existing or new contract, using one or more of the following below:

#### **Phoenix initiated**

- Customers Terms of Trading (ToT) – mandatory for all customers unless customer initiated
- Master Services Agreement (MSA)

#### **Customer initiated**

- Individual customer contracts
- Pre-agreed framework contracts – e.g., Call Off contract under a framework agreement such as CCS/KCS/SUPC

### Service Deliverables – Once Scoped and Authorised

#### **Services – Project and Managed (SAM or IT)**

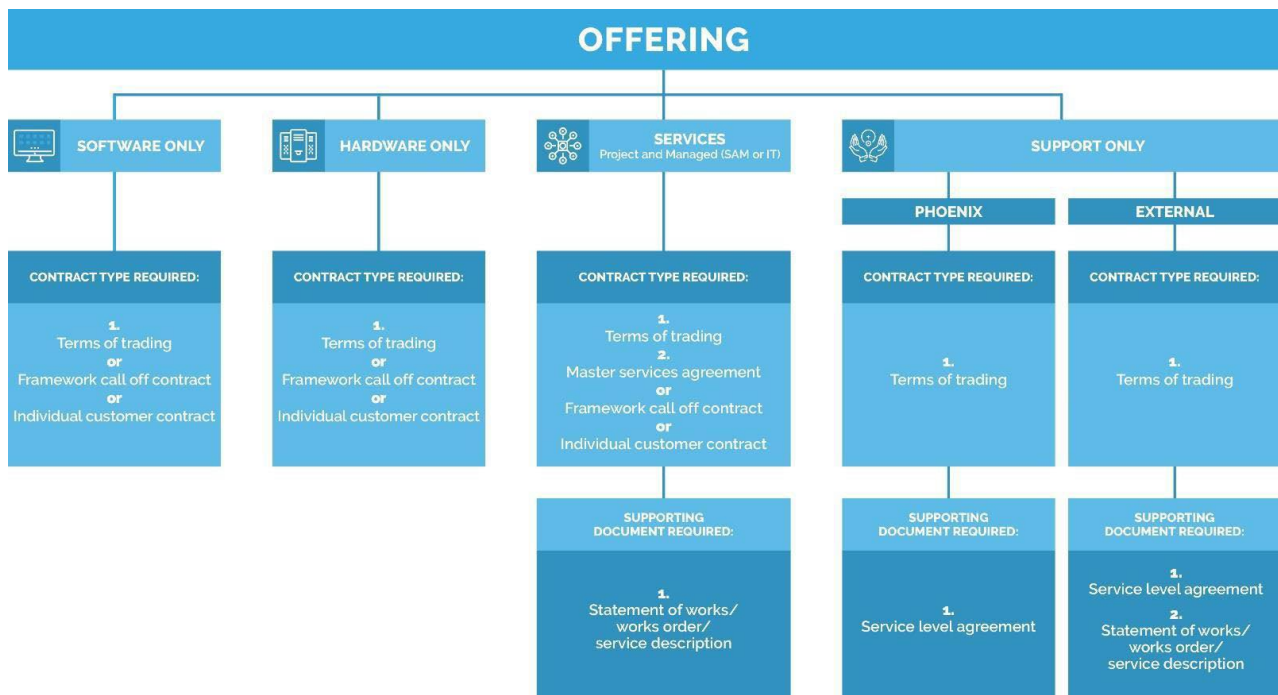
A Statement of Works or Works Order or Service Description document is required

#### **Support Only**

Phoenix as the provider – Service Level Agreement is required to be signed by the customer

Third Party as the provider - Service Level Agreement is required to be signed by the customer plus Statement of Works or Works Order or Service Description document is required

A flow of the Customer Contracts and Service Contracts required is below:



### Contract terms authorisation requirements





## Commercials and Technical

Once all applicable approvals are in place your offer can be submitted to the customer.



### SAM SERVICES – COMMERCIALS SIGN OFF IF:

Discount off list prices –  
Clarity, SAM Essentials, SAM  
Agile or Licence Manager  
product suite

Day rates discounted less than  
current business standard rate

Free of Charge SAM (FOC) –  
part of value-add on Software  
bids or if Standalone

### APPROVAL REQUIRED IF THE REVENUE DIFFERENCE IS:

£10,000+ — 2 x A signatories  
£1,000 – 9,999 — 1 x A signatory and 1 x B signatory  
£0 – 999 — At least 1 x B signatory

### SAM SERVICES DELIVERY VALIDATION- PROPOSAL/STATEMENT OF WORK SIGN OFF:

All values

#### APPROVAL

SAM Services Delivery Manager or SAM Managed Services Manager

### ARTIFICIAL INTELLIGENCE DELIVERY VALIDATION – PROPOSAL/ STATEMENT OF WORK SIGN OFF:

All values

#### APPROVAL

Chief Technical Officer **AND** Chief Data Officer

## Final Contract Sign Off

Once customer has accepted the offer which has had authorisation where applicable, this is the final contract sign off stage and will include the customer signatory.

CUSTOMER CONTRACT SIGNATORY AUTHORISATION ONCE THE ABOVE STEPS HAVE BEEN REVIEWED AND COMPLETED				
Customer contract (framework or standalone) - up to £200k revenue	Customer contract (framework or standalone) - over £200k revenue	Phoenix Managed Service MSA/ Framework and work order	Phoenix MSA - SAM Services (Phoenix)	Phoenix MSA - SAM Services (License Dashboard)
<b>SIGNATORY</b> Sales Manager (or Sales Director)	<b>SIGNATORY</b> Sales Director (or Board Director)	<b>SIGNATORY</b> Director of Managed Services (or Sales Director)	<b>SIGNATORY</b> Head of Technology Asset Management (or Sales Director)	<b>SIGNATORY</b> Director of SAM Services (or Sales Director)

## Non-Disclosure Agreements (NDA)

NDA TYPE		
Phoenix NDA with no amendment	Phoenix NDA with Customer/ Supplier seeking amendments	Customer/Supplier NDA
<b>APPROVAL AND SIGNATURE</b> 1 x B Signatory	<b>APPROVAL AND SIGNATURE</b> Contracts Manager or 1 x A Signatory	

All signatories on contracts must use physical or electronic signature tools such as Adobe Sign/Acrobat DC. Cut and pasting of a signature is not acceptable practice.

Approvals signatures can be emails. These are to be saved with the document and or/easily accessible from your Outlook filing. Please note that Outlook archives emails for up to 7 years.

12.2 All Agreements as mentioned above must be saved in the SharePoint against the relevant Supplier/Customer by the Phoenix signatory within 48 hours of execution.

12.3 For commodity products, the decision to change or vary suppliers shall be made within the Operations department, under discretion of Operations Director.

## 12.4 Foreign Currency

All foreign currency sales orders, over £500, before quotation, and supplier orders, over £500, before placement, require sign off by the Finance Director or Financial Controller.

## 12.5 Purchasing of Software/Goods/Service

All orders provided to a supplier must be accompanied by an official Phoenix Purchase Order. These may be generated via Oasis or by the Internal Purchasing System.

The Operations Team has the authority to place purchase orders on suppliers where there is a valid sales order on Oasis.

Authorisation of orders on the Internal Purchasing system are by the Operations Manager, HR Manager or Operations Director once authorisation of the individual item has been validated as per clauses 4, 5, 6, 7 and 8 above.

# 13. Credit Refunds (Including Consultancy)

Request for credit refunds which are at a cost to the company (as opposed to clerical corrections):

£10,000+	2 x <b>A</b> signatories
£1,000 - £9,999	1 x <b>A</b> signatory and 1 x <b>B</b> signatory
£0 - £999	At least 1 x <b>B</b> signatory

## 14. Litigation

All formal litigation initiated by Phoenix against a third party, or by a third party against Phoenix, other than final letters of demand and non-disputed invoices. (Values represent the amount being litigated upon):

£25,000+	BTG PLC Board
£1 – £24,999	2 x <b>A</b> signatories

## 15. Cheques And Petty Cash

The bulk of suppliers are paid by funds transfer directly to the creditor on authority of the creditors department acting within their procedures.

### 15.1 Cheques require two of the following signatories:

Classification: Company Confidential  
Reference: PHX084

Revision Number: 2.5  
Revision Date: 25<sup>th</sup> August 2023

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Samantha Mudd	Managing Director
Paul Emms	Director of Group Finance
Simon Rippon	Finance Director
Matthew Talbot	Financial Controller

15.2 Changing of signatories requires Phoenix Board written authority.

## 16. Bank Payments/Collections

16.1 Payments/collections can only be input via HSBC by an approved HSBC online banking user. The person inputting a transaction/amending user rights irrespective of their sign off limits cannot also approve the transaction.

16.2 Mid-month and month-end BACS payments can only be input via PTX by an approved PTX user. The person inputting a transaction/amending user rights irrespective of their sign off limits cannot also approve the transaction. Transactions may only be approved by Paul Emms, Simon Rippon, or Matthew Talbot.

16.3 Banks administrators / signatories / approvers are as follows:

Paul Emms	Director of Group Finance
Simon Rippon	Finance Director
Matthew Talbot	Financial Controller
Natasha Jefferson	Financial Services Team Leader *
Robert Kilby	Management Accountant *
Chris Hume	Management Accountant **

\* Input in HSBC only

\*\* Input in HSBC and PTX only

16.4 Changing of signatories requires Phoenix Board written authority.

16.5 BACS Payments must be accompanied by an appropriately authorised and signed requisition.

## 17. Customer Credit Limits

New customer accounts can only be set-up when Phoenix and the customer have executed a contract, this may be either Phoenix Terms of Trade or via a framework agreement. If neither terms of trade or a framework are available separate approval to open an account is also required (1 x **A** signatory)

Credit limits should be set following investigation of the company's financial standing via

Experian credit reports where available or where not available the company's financial statements from Companies House. These reports should be included when seeking approval to grant credit.

Credit limits require the following authorisation:

£1M+	2 x <b>A</b> signatories
£50,000 - £999,999	1 x <b>A</b> signatory – or Financial Controller
£0 - £50,000	Phoenix Credit Controllers

Unlimited credit can only be offered to publicly funded bodies (central and local government) and only where we are transacting with the body directly and not through a third party.

## 18. Approval Of Borrowings And New Bank Accounts

The Phoenix Executive Committee does not have authority to approve any borrowings in the name of Phoenix, nor to approve the opening of any new Phoenix bank accounts. Any such requirements must be presented to the BTG PLC Board for review and approval

## Glossary

BTG PLC Board	Bytes technology Group UK Board
AH	Andrew Holden Bytes Technology Group Chief Operating Officer
NM	Neil Murphy Bytes Technology Group Chief Executive Officer
MD	Phoenix Managing Director
GFD	Director of Group Finance
FD	Phoenix Finance Director
Ops Dir	Phoenix Operations Director
ESA	Enterprise Software Agreement
EES	Microsoft Enrolment for Educational Solutions
GP	Gross Profit



## Version Control

<u>Author</u>	<u>Version</u>	<u>Date</u>	<u>Description</u>
Clare Metcalfe	0.1	27/08/2020	Original Document
Sam Mudd	0.2	04/09/2020	Amended Clare's draft
Ian Roscoe	0.3	18/09/2020	Incorporation of Keith Martin feedback, standardised formatting, added glossary & delegation of authority statement, Incorporation of authority tables from Paul Emms
Clare Metcalfe	1.0	05/10/2020	Published version
Clare Metcalfe	1.1	19/10/2020	Additional B Signatories – Richard Barwick, Natalie Cliff, Jason Davies
Clare Metcalfe	1.2	12/11/2020	Additional B Signatories – Robert Kilby, Thomas Siron
Clare Metcalfe	1.3	17/11/2020	Additional B signatories – Mark Jay. Additional signatories for the process for sign off IT Services Statement of Works – Natalie Cliff and Mark Jay
Clare Metcalfe	1.4	04/01/2021	Split out IT and SAM Services signoff into separate sections
Ian Roscoe	1.5	28/06/2021	Removal of M Nyati as Chairman, new section 18 re borrowing and bank accounts, amendment to HR re required signatures
Clare Metcalfe	1.6	15/11/2022	Change of UK Group CFO, Addition of Matthew Talbot to 16.2, Shaun Tosler, Fay Mercer to B Signatories
Vikki Smith	1.7	13/01/2022	Updated FD, added Simon Rippon to Class A Signatory list. Added Removal of M Jay signatories. Streamlined the Sales Process
Clare Metcalfe	1.8	29/07/2022	Additional B Signatories David Hardcastle. 3.1 - addition of GFD, 5.1 increase in banding value, 7.1 increase in banding value, 12 – update of images, Contracts approval increased, Any Contract Offer Transacting at a loss – increase to £10K banding, Final Contract Sign Off value increased, 12.6 Foreign Currency authorisation, 13 Credit Refund, banding value increased, Customer Credit Limits – additional processes
Fay Mercer	1.9	05/12/2022	Updated 12.1 to reflect process change in Oasis for electronic authorisation of orders over a sell value of £200,000. Replace Thomas Siron with Abbey Simpson as Class B signatory
Rebecca Tosler	2.0	31/01/2023	Additional B Signatory – Jennifer Wilson
Clare Metcalfe	2.1	31/05/2023	Additional B Signatory – Susanne Scott
Matthew Talbot	2.2	27/06/2023	Amendments to Section 16
Geoff McGann	2.3	26/07/2023	Addition of Artificial Intelligence Delivery Validation by CTO/CDO
Rebecca Tosler	2.4	10/08/2023	Addition of "Framework" to MSA Final Contract Sign off section
Fay Mercer	2.5	21/08/2023	NDA type updated to include reference to suppliers and NDA Approver/Signatory updated to include 'or 1 x A Signatory'

## Document Approval

<u>Name</u>	<u>Version</u>	<u>Date</u>	<u>Position</u>
Sam Mudd	0.1	27/08/2020	Managing Director
Paul Emms	0.2	04/09/2020	Director of Group Finance
Sam Mudd	0.3	18/09/2020	Managing Director
Sam Mudd	1.0	05/10/2020	Managing Director
Sam Mudd	1.1	19/10/2020	Managing Director
Paul Emms	1.2	12/11/2020	Director of Group Finance
Sam Mudd	1.3	17/11/2020	Managing Director
Paul Emms	1.4	04/01/2021	Director of Group Finance
Paul Emms	1.5	28/06/2021	Director of Group Finance
Clare Metcalfe	1.6	15/11/2022	Operations Director
Clare Metcalfe	1.7	13/01/2022	Operations Director
Clare Metcalfe	1.8	29/07/2022	Operations Director
Clare Metcalfe	1.9	05/12/2022	Operations Director
Clare Metcalfe	2.0	31/01/2023	Operations Director
Clare Metcalfe	2.1	31/05/2023	Operations Director
Clare Metcalfe	2.2	27/06/2023	Operations Director
Clare Metcalfe	2.3	26/07/2023	Operations Director
Clare Metcalfe	2.4	10/08/2024	Operations Director
Clare Metcalfe	2.5	25/08/2023	Operations Director

Signed: *Clare Metcalfe* Clare Metcalfe, Operations Director

Dated: 25/08/2023