DRAX GROUP PLC
(‘the Company’)

Schedule of Matters Reserved to the Board
(Amended by the Board and effective from 29 July 2026)

Preliminary

This document sets out the Schedule of Matters Reserved (‘the Schedule’) for determination by the Board of Directors of the Company (‘the Board’) for Drax Group plc and its subsidiaries (together ‘the Group’). Certain of the matters will be submitted to the Board only after consideration and supported by recommendation from the Nominations, Audit and Remuneration Committees of the Board, reflecting their respective terms of reference.

These provisions do not preclude:

(a) the delegation of authority to a committee of the Board or to an individual director to approve a matter within such limits as set by the Board (provided this is within the Company’s Articles of Association);
(b) the Board from calling for reports and recommendations from time to time on any matter it considers of significance.

The Board however reserves the right to require any matter pertaining to the business of the Group to be discussed and considered by the Board.

The provisions of the Schedule apply to all corporate entities and structures (including partnerships) within the Group.

1 **ExCom Delegation of Authorities**

The CEO and CFO shall determine the delegation of authorities below £25m.

2 Strategy and Management

The Board is responsible for:

2.1 Approving the overall strategy, values, and culture of the Company and its subsidiaries (together the “Group”) to create a high-performance culture which maximises value creation and minimises risk.

2.2 Approving the strategic development plan and tracking progress in realising the strategy for the Group (including the appetite for risk associated with its delivery).

2.3 Approving the Annual Business Plan of the Group setting out the operating and capital expenditure budgets for the same period. Approval of any material changes to the Annual Business Plan, including reforecast.

2.4 Approving the conduct of a new business activity materially different from the stated strategy of the Group, including any extension of an existing authority into a new geographical area.

2.5 Any decision to cease to operate any material part of the Group's business.

3 Structure and capital

The Board will determine:

3.1 Any changes relating to the Group's capital structure including reduction of capital, share issues (except under employee share plans), share buy backs, assumption of additional debt, and refinancing of existing debt.

3.2 Material changes to the Group's corporate structure.

3.3 Material changes to the Group's management and control structure.

3.4 Any changes to the Company's listing or its status as a plc.

4 Sustainability

The Board shall**:**

4.1 Approve the Group's Sustainability Framework, including:

a. The setting and oversight of the Group's Sustainability Framework;
b. The setting and oversight of progress against the Group's Climate Transition Plan;
c. The oversight of the management of climate-related risks;

4.2 Oversee the ongoing impact of the Drax Foundation and Drax Community Fund on an annual basis.

5 Financial Management

The Board shall:

5.1 Approve the periodic financial reporting of the Company or Group, including half-yearly and full-year results, and any other periodic disclosures on the performance, prospects or results of the Group and any part thereof.

5.2 Approve the annual report and accounts ensuring they are fair, balanced and understandable.

5.3 Approve changes to the dividend policy and capital allocation policy.

5.4 Approve and declare any interim dividend and approve for recommending to shareholders any final dividend or return of capital to shareholders (including any dividend alternative).

5.5 Approve any material changes in accounting policies or practices as recommended by the Audit Committee.

6. Risk Management, Internal Control and Audit

The Board shall:

6.1 Determine the appropriate level of risk appetite in respect of Principal Risks and undertake an annual assessment of the Group's risk management processes.

6.2 Review and ensure the maintenance of a sound system of risk management and robust system of internal controls, including assessing the completeness of all material controls in order to support the Board's declaration of effectiveness of the material controls as at the balance sheet date of each Annual Report and Accounts.

6.3 Recommend to shareholders to appoint, reappoint or remove the external auditor following the recommendation of the Audit Committee.

7. Contracts & Expenditure

The Board shall approve:

7.1 Any contract intended to be entered into by the Company or any subsidiary of the Company which is not in the ordinary course of business of the Group requires the approval of the Board before making a formal commitment. Ordinary course means an activity which is an established part of the Group's business supporting the delivery of the stated strategy.

7.2 Any Contract which, whilst in the ordinary course, exceeds the size (value or volume) limits set out in the Group's Delegated Authority before making a formal commitment.

8. Acquisitions and Disposals

The Board shall approve:

8.1 The making of any offer to buy an interest or the entirety of another entity where any of the target's shares are traded on any public exchange in any territory.

8.2 The acquisition or disposal of any interest in any shares, including voting shares, of any company, which is not publicly quoted; or the making of any offer for any assets; additional investment in an entity which is not wholly owned by the Group where in any of the foregoing the expected total consideration (including any deferred element) or the additional investment exceeds £20m.

8.3 Incurring costs for assessing such investments (including legal and professional fees and costs of undertaking due diligence where the expected costs are more than £10m. For the avoidance of doubt, this does not include amounts payable to investment banks which are contingent on the approval of said investment.

9 Communication

The Board shall:

9.1 Ensure a satisfactory dialogue with shareholders based on the mutual understanding of objectives.

9.2 Approve resolutions and corresponding documentation to be put forward to shareholders at a general meeting.

9.3 Approve all circulars, prospectuses and listing particulars.

9.4 Consider the outcome of engagement with shareholders (including reports from Brokers and advisers) and the appropriate action in light of such engagement.

10 Board membership and other appointments

The Board will be responsible for considering and as thought fit approving:

10.1 Changes to the structure, size and composition of the Board, following recommendations from the Nominations committee, and effective succession planning whilst having regard to diversity in its broadest sense.

10.2 Appointments to the Board, following recommendations by the Nominations committee.

10.3 Selection of the Chair of the Board and the Chief Executive.

10.4 Appointment of the Senior Independent Director.

10.5 Membership and Chairship of Board committees.

10.6 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.

10.7 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.

10.8 Appointment or removal of the Company Secretary.

10.9 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Audit Committee.

11 Remuneration and Pension arrangements

The Board will be responsible for considering and as thought fit approving:

11.1 The Remuneration Policy for the directors for submission to shareholders for their approval.

11.2 The remuneration of the non-executive directors, subject to the Articles of Association and shareholder approval as appropriate.

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

11.4 Major changes to the rules of the Group's pension schemes, or changes of trustees or changes in the fund management arrangements.

12 Corporate Governance Matters

The Board shall:

12.1 Undertake a formal and rigorous annual review of its own performance, that of its Committees and individual Directors.

12.2 Determine the independence of Non-Executive Directors.

12.3 Review the Group's overall corporate governance arrangements.

12.4 Authorise conflicts of interest.

13 Delegation of Authority

The Board will be responsible for considering and as thought fit approving:

13.1 The division of responsibilities between the Chair, the Chief Executive and other executive directors.

13.2 Approval of terms of reference of Board committees.

14 Policies

The Board will be responsible for considering and if thought fit approving the:

- Health and Safety Policy
- Anti-Bribery and Corruption Policy
- Whistleblowing (Speak Up) Policy
- Group Political Engagement and Lobbying Policy
- Share dealing and MAR Policies
- Board Diversity Policy

15 Other

The Board will be responsible for considering and if thought fit approving:

15.1 Any political donations.

15.2 Changes to the Articles of Association of the Company prior to submission to the shareholders of the Company for their approval

15.3 The appointment or removal of the Group's principal professional advisers, being:

- Financial brokers, including those required under the Take Over Code:
- Principal legal adviser
- Registrars

15.4 The prosecution, defence or settlement of litigation or actions brought against the Group by third parties where the potential liability exceeds £5m or being otherwise material to the interests of the Group.

15.5 This Schedule of Matters Reserved to the Board.

15.6 Material changes to the Group's main insurance policies including the Directors' and Officers' insurance policy

Appendix – Elimini Operating Governance and Reporting Principles

1 Introduction

1.1 This Appendix (the "**Principles**") sets out the operational framework within which decisions taken by and relating to the Elimini business unit (herein, "**Elimini**") will require approval from the Board.

1.2 In the event of any conflict between these Principles and the other parts of the Schedule, these Principles shall prevail.

2 Structure of Elimini and Reporting Responsibility to the Board

2.1 Elimini will be managed on a day-to-day basis by a separate leadership team to the ExCom (the "**Elimini Leadership Team**"), reporting to a President. The Elimini President shall ultimately remain responsible for day to day decisions but will be accountable in the first instance to the CEO who will report to the Board.

2.2 Elimini will set up operationally independent teams where such autonomy enhances the ability of Elimini to deliver BECCS projects and is supported by ExCom. However, it may also:

2.2.1 rely on Group resources in support of Elimini; or

2.2.2 be required to operate subject to mandatory group policies and procedures as defined by ExCom and those policies set out at Paragraph 12 of the Schedule (except where stated otherwise in the Principles).

2.3 Where paragraph 2.2.1 and 2.2.2 above substantially apply, the Board's oversight and decision making in those areas remains subject to the wider Schedule. This Appendix shall apply to areas of functional independence only.

3 Strategy, Management and Structure

3.1 The Elimini Leadership Team shall be responsible for setting the purpose, values and culture of Elimini provided it is not in conflict with the Group.

3.2 The Elimini President and Group CEO shall report regularly to the Board as to the strategy of Elimini as part of the wider Group Strategy and the Annual Business Plan for Elimini. However, decisions relating to day-to-day budgetary spend within the Elimini Annual Plan shall be determined by the Elimini Leadership Team subject to the remainder of this Appendix.

3.3 Decisions to commence or cease development activity in respect of individual projects prior to a Final Investment Decision ("**FID**") shall be within the competence of the Elimini Leadership Team. Decisions relating to FID shall always be reviewed by the Board.

3.4 Decisions relating to the management structure of Elimini below the Elimini Leadership Team level shall be made by the Elimini Leadership Team.

4 <u>Contracts and Expenditure</u>

<u>Expenditure Generally</u>

4.1 Decisions relating to in-year expenditure that fall within the budget set by the Annual Business Plan (as revised from time to time) (the "**Current Year Budget**") shall be made by the Elimini Leadership Team, subject to other matters reserved. The Elimini Leadership Team may approve expenditure commitments that will be incurred over multiple financial years <u>provided that</u> the aggregate amount of expenditure across the contract or similar has been approved according to the provisions of the remainder of this Paragraph 4.

<u>Contracts</u>

4.2 As a project developer active in a nascent market, it is expected that many contracts entered into by Elimini will be conditional on a Board final investment decision **("FID")** (or other conditions that cannot reasonably be met without a FID being taken in relation to a given project(s) (a "**Conditional Contract**"). Accordingly:

4.2.1 subject to Paragraph 4.2.2 below, Conditional Contracts may be approved by the Elimini Leadership Team and do not need to be approved by the Board; and

4.2.2 contracts of any type that involve expenditure commitments or revenues that are not conditional on FID shall only be reviewed by the Board if the amount of such commitment or revenues exceeds £25m (or in the case of expenditure relating to the approval of entry into a Front-End Engineering and Design contract (including ancillary contracts), £35m) provided that any contract in excess of £12.5m is approved by the Group CEO and Group CFO.

<u>Investments</u>

4.3 The provisions of paragraph 7 of the Schedule shall generally apply to Elimini provided that:

4.3.1 For the avoidance of doubt, Elimini shall be acting in the ordinary course of business when target of such venture or investment operates (or is planning to operate) a non-BECCS business but Elimini either:

a. plans to apply carbon capture technology as a result of the investment (e.g. through the conversion of a legacy thermal plant to BECCS); or

b. could derive symbiotic benefits through co-locating a BECCS business or else selling power or carbon dioxide to such business or asset.

5 <u>Policies</u>

5.1 Elimini shall be entitled to develop its own policies outside of those listed at Paragraph 12 of the Schedule without recourse to the Board. In addition, Elimini shall be entitled to develop its own Environmental Policy, Political Engagement and Lobbying Policy (other than as to political donations) and Sustainability Policy <u>provided that</u> the standards set out are not materially reduced relative to the related Group policy.