

## EP GLOBAL OPPORTUNITIES TRUST PLC

### Schedule of Matters Reserved for the Board

*As amended on 3 March 2020*

The following matters are reserved for consideration and decision by the Board of Directors (the "Board") for maintenance of effective control of strategic, financial, operational and compliance issues.

#### **Companies Act requirements**

1. Approval of the half-yearly report and any preliminary announcement of the final results.
2. Approval of the annual report and financial statements, including the strategic report, Directors' report, corporate governance statement and Directors' remuneration report, and the related annual financial results announcement.
3. Approval of the dividend policy.
4. Declaration of interim dividends and recommendation of any final and special dividends.
5. Approval of any significant changes in accounting policies or practices (following recommendations of the Audit and Management Engagement Committee).
6. Appointment or removal of the Company Secretary.
7. Approval of the remuneration of the auditors and recommendations for the appointment, re-appointment or removal of auditors (following recommendations of the Audit and Management Engagement Committee).
8. Approval of resolutions and any associated documentation to be put forward to shareholders at a general meeting or an annual general meeting.

#### **Stock Exchange/ Financial Conduct Authority**

1. Approval of all circulars, prospectuses and listing particulars.
2. Agree the procedures for the release of price sensitive information and other Company announcements.
3. Approval of press releases concerning matters decided by the Board.

#### **Board Membership and Board Committees**

1. Regularly review the structure, size and composition of the Board.
2. Ensuring adequate succession planning for the Board so as to maintain an appropriate balance of skills, knowledge, experience and diversity within the Company and on the Board. Consideration to be given to the length of service of the Chairman and the Directors, taking into consideration the guidance set out in the AIC Code of Corporate Governance.
3. Selection of the Chairman of the Board.
4. Regularly review the constitution of the Board and identify and consider candidates to fill Board vacancies as and when they arise, taking into consideration the balance of skills, knowledge, experience and diversity on the Board to assess the role and capabilities for a particular appointment. Appointments to the Board will be subject to a formal, rigorous and transparent procedure and will be based on merit and objective criteria and made in accordance with the Company's policy in relation to diversity.
5. Board appointments and removals and any special terms and conditions attached to the appointments.
6. Terms of reference and any changes thereto, membership and chairmanship of Board Committees.
7. Regular review and consideration of the independence of Directors in light of their character, judgement and relationships.
8. The roles, responsibilities and conditions of service for the Chairman and Directors. The role and responsibilities of the Chairman should be clearly established, set out in writing and agreed by the Board.
9. Consider the continuation in office of Directors due to retire at an annual general meeting and proposals for their re-election by shareholders at an annual general meeting and otherwise, as appropriate.
10. Review and determine the remuneration for Directors of the Company, subject to the Articles of Association and shareholder approval, as appropriate.
11. Review and agree the Directors' remuneration policy.

12. Review and agree the policy for authorising claims for expenses from the Directors.
13. Undertaking annually a formal and rigorous review of the performance of the Board, Board Committees, the Chairman and the individual Directors and the division of responsibilities.
14. Receiving reports of the proceedings and decisions of the Audit and Management Engagement Committee.

### **Strategy and Management**

1. Responsibility for the overall management of the Company and setting the Company's purpose, values and strategy.
2. Assessing and monitoring culture of the Board, including its policies, practice and behaviour to ensure the Board's culture is aligned with the Company's purpose, values and strategy.
3. Approval of the Company's objective, investment policy and commercial strategy.
4. Changes relating to the Company's capital structure or its status as an investment company, investment trust and plc.
5. Approve any changes relating to the Company's listing on the London Stock Exchange.
6. Appointments and removals and any special terms and conditions attached to the appointment to boards of subsidiaries.
7. Appointment and removal of the Investment Manager.
8. Appointment and removal of the Alternative Investment Fund Manager ("AIFM").
9. Changes to the Company's management and control structure.
10. Approval of authorised signatories on the Company's bank and custody mandates and as witnesses to the affixing of the Company's seal.
11. Review and approve any contracts of the Company, and any subsidiary, which are material, either by reason of size or strategically, e.g., bank borrowings/ gearing arrangements.
12. Review and approve any contracts of the Company, and any subsidiary, not in the ordinary course of business, e.g., loans and repayments; foreign currency transactions.
13. Approve any major acquisitions or disposals, including the acquisition or disposal of interests of more than 5% in the voting shares of any company or the making of any takeover bid.
14. Approve the gearing policy.
15. Review and approve the use of derivative instruments.
16. Review and approve any major changes to treasury policies, including foreign currency exposure.
17. Approve major changes in the management arrangements.
18. Annual review and continued approval of the Company's Management Agreement, assessment of the performance of the AIFM and the Investment Manager, and including in the annual report a statement in relation to the continued appointment of the AIFM and the Investment Manager (post review by the Audit and Management Engagement Committee).
19. Annual review and continued approval of the appointment of the AIFM to provide company secretarial, accounting and administration services in accordance with the management agreement (post review by the Audit and Management Engagement Committee).
20. Annual review and continued approval of appointment of the Depositary pursuant to the Depositary Agreement (post review by the Audit and Management Engagement Committee).
21. Annual review and continued approval of the appointment of the Registrar pursuant to the Registrar's Agreement.
22. Annual review and continued approval of the appointment of other third party service providers pursuant to the relevant terms of their appointment.
23. Review of reports submitted by the Investment Manager, including:
  - valuations;
  - changes in investments;
  - performance statistics; and
  - revenue forecasts.

### **Corporate Governance**

1. Review of the Company's overall corporate governance arrangements.
2. Annual review of continuing compliance with the terms of the AIC Code of Corporate Governance and approving the Corporate Governance Statement for inclusion in the annual report.
3. Maintenance of good relationships with the Company's stakeholders (stakeholders have been identified as being the shareholders, the AIFM and the Investment Manager, and the Company's other service providers).
4. Authorising Directors' conflicts of interest where they are permitted by the Company's Articles of Association.

## **Internal Controls and Risk Management Systems**

1. Ensuring the maintenance of a sound system of internal financial control and risk management including reviewing the effectiveness of the Company's overall internal control arrangements and processes, following review by the Audit and Management Engagement Committee.
2. Setting the Company's initial process for risk diversification and gearing (including the Company's risk appetite statements) to be discharged and maintained by the AIFM.
3. Receiving reports from the AIFM as regards the risk management function, reviewing the effectiveness of, the Company's risk and control processes to support its strategy and objectives, and determining any action that may be required in relation to any concerns raised or perceived.
4. Reviewing procedures for the detection of fraud and the prevention of bribery.
5. Approving an appropriate statement as regards internal controls for inclusion in the Company's annual report.
6. Ensuring that third party service providers' internal controls are effective.

## **Shareholders**

1. Regular monitoring of the shareholder profile of the Company.
2. Implementing a system to facilitate regular and meaningful engagement with major shareholders to understand their views on the Company's investment performance and governance.
3. Ensuring that shareholders are provided with sufficient information to understand the investment performance of the Company and the principal risks attaching to an investment in the Company.

## **Miscellaneous**

1. Formulation of policy regarding charitable and political donations.
2. Approval of the appointment or change of the Company's principal professional advisers.
3. Prosecution, commencement, defence or settlement of litigation or an alternative dispute resolution mechanism.
4. Electronic voting policy.
5. Environmental policy.
6. Agree and approve the limits, premium and policy wording of the Directors' and Officers' liability insurance and the establishment of corporate indemnities to Directors.
7. A change in the Company's domicile.
8. Any decision likely to have a material impact on the Company from any perspective including, but not limited to, financial, operational, strategic or reputational.
9. This Schedule of Matters Reserved for the Board.

**In discharging their responsibilities, the Directors shall at all times have regard to their responsibilities and duties as a Director under Section 172 of the Companies Act 2006:**

### **Section 172: Duty to promote the success of the company**

- (1) A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:
  - (a) the likely consequences of any decision in the long term,
  - (b) the interests of the company's employees,
  - (c) the need to foster the company's business relationships with suppliers, customers and others,
  - (d) the impact of the company's operations on the community and the environment,
  - (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
  - (f) the need to act fairly as between members of the company.