

CITY OF LONDON INVESTMENT GROUP PLC
(the “Company”)

SCHEDULE OF MATTERS RESERVED FOR THE BOARD

This schedule sets out the matters which are reserved for the Board of Directors of the Company (the “Board”). In this schedule group, group member and group company means (as the context requires) the Company and its subsidiary undertakings from time to time.

1. Leadership, Culture and Strategy

- 1.1 Responsible for the overall leadership of the group and setting the Company’s purpose, values and overall strategy, including its long-term objectives.
- 1.2 Assessing and monitoring the Company’s culture to ensure that behaviours, policies and practices are aligned with the Company’s purpose, values and strategy.
- 1.3 Approval of the group’s strategic aims and objectives.
- 1.4 Approval of annual operating and capital expenditure budgets and any material changes thereto.
- 1.5 Monitoring and overseeing group operations and implementation of group strategy, policies and plans with a view to ensuring:
 - (a) competent and prudent management;
 - (b) sound planning;
 - (c) a sound and effective system of internal controls;
 - (d) adequate accounting and other records; and
 - (e) compliance with legal and regulatory obligations.
- 1.6 Reviewing the group’s performance against agreed strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.7 Extension of the group’s activities into new business or geographic areas.
- 1.8 Any decision to cease to operate all or any material part of the group’s business.

2. Structure and capital

- 2.1 Approving material changes relating to the capital structure of any group member including share issues (except under employee share plans), share buy-backs, share redemptions, reductions of capital, capital reorganisations, arrangements and reconstructions.
- 2.2 Approving 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 in question (taking into account initial and deferred consideration).
- 2.3 Approving changes to the group’s management and control structure.
- 2.4 Approving any changes to the Company’s listing or its status as a plc.

3. Financial reporting and controls

- 3.1 Approval of the half-yearly financial report, quarterly Funds under Management (“FuM”) updates, and related shareholder communication materials.
- 3.2 Approval of any preliminary announcement of the Company’s final results.
- 3.3 Approval of the annual report and accounts, including the corporate governance statement and directors’ remuneration report and related shareholder materials.
- 3.4 Approval of the dividend policy.
- 3.5 Declaration of interim dividends and recommendation of final dividends.
- 3.6 Approval of any significant change in accounting policies or practices.
- 3.7 Approval of treasury policies (including foreign currency exposure and the use of financial derivatives).
- 3.8 Approval of material unbudgeted capital or operating expenditures (outside pre-determined tolerances).

4. Risk Management and Internal controls

- 4.1 Ensuring maintenance of a sound system of internal controls and risk management including:
 - (a) Approving the Company/group’s risk appetite statements;
 - (b) Receiving reports on, and reviewing the effectiveness of, the group’s risk and control processes to support its strategy and objectives;
 - (c) Approving procedures for the detection of fraud and the prevention of bribery;
 - (d) Undertaking an annual assessment of these processes; and
 - (e) Approving an appropriate statement for inclusion in the annual report.
- 4.2 Carrying out a robust assessment of the emerging and principal risks facing the group and reporting on such assessment in the Company’s annual report, including how such risks are being managed or mitigated.
- 4.3 Monitoring the group’s risk management and internal control systems and reviewing, at least once a year, the effectiveness of such systems and reporting on that review in the Company’s annual report.
- 4.4 Considering and reporting on whether it is appropriate to adopt the going concern basis of accounting in preparing the annual and half-yearly financial statements and identifying any material uncertainties to the Company’s ability to do so over a period of at least 12 months from the date of approval of the financial statements.

5. Contracts, transactions and commitments

- 5.1 Approval of major capital projects and commitments, including oversight over execution and delivery, of any group member.
- 5.2 Contracts which are material strategically or by reason of size, entered into by the Company or, in the case of a group member, making recommendations for approval in the ordinary course of business.

- 5.3 Contracts entered into by any group member otherwise than in the ordinary course of business.
- 5.4 Major investments or divestments, including the acquisition or disposal of interests of more than 5 per cent in the voting shares of any company.
- 5.5 Any proposed takeover offer for another company which is subject to the City Code on Takeovers and Mergers.
- 5.6 The response to any approach regarding a takeover offer for the Company.
- 5.7 Acquisitions or disposals of companies or businesses.
- 5.8 Joint ventures.
- 5.9 Any material addition to, or significant variation in the terms of, the borrowing facilities available to the group.
- 5.10 The granting of security over any material asset of the group.
- 5.11 The approval of guarantees, indemnities or letters of comfort.
- 5.12 The entering into of any new asset financing or leasing where the capital value of the asset concerned exceeds £50,000.
- 5.13 Transactions with Directors or other related parties.

6. STAKEHOLDER ENGAGEMENT AND COMMUNICATION

- 6.1 Identifying the group's key stakeholders.
- 6.2 Ensuring effective engagement with, and encouraging participation from, shareholders and key stakeholders, including employees, so that the Board has a clear understanding of their views.
- 6.3 Engagement with shareholders in relation to any resolution which was recommended by the Board but opposed by 20% or more of the votes cast and communication of the explanations.
- 6.4 Approval of resolutions, notices of meetings and associated documentation to be put forward to shareholders at a general meeting.
- 6.5 Approving all circulars, prospectuses and listing particulars (save that approval of routine documents such as periodic circulars regarding scrip dividend procedures or exercise of conversion rights may be delegated to a committee).
- 6.6 Approval of information required to be published outside the annual report and accounts including the Statement on Slavery and Human Trafficking under the Modern Slavery Act 2015.
- 6.7 Approval of press releases concerning matters decided by the Board.

7. Board and Board committee matters

- 7.1 Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.
- 7.2 Ensuring effective succession planning for the Board and senior management so as to maintain an appropriate balance of skills, experience and knowledge within the company and on the board.

- 7.3 Appointments to the Board, following recommendations by the Nomination Committee.
- 7.4 Selection of the Chair and the Chief Executive.
- 7.5 Appointment of the Senior Independent Director.
- 7.6 Membership and chairs of Board committees following recommendations by the Nomination Committee.
- 7.7 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.
- 7.8 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 the terms of any service contract.
- 7.9 Appointment or removal of the company secretary.
- 7.10 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.
- 7.11 Appointments to boards of subsidiaries.

8. Remuneration

- 8.1 Determination of remuneration policy for Directors, company secretary and senior management.
- 8.2 Determination of remuneration of Non-Executive Directors, subject to the Articles and shareholder approval as appropriate.
- 8.3 Introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.

9. Delegation of authority

- 9.1 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.
- 9.2 Approval of the Delegated Authority Policy and the Schedule of Delegated Authority Limits, including the Chief Executive's authority limits (which must be in writing).
- 9.3 Establishing Board committees and approving their terms of reference and approving material changes thereto.
- 9.4 Receiving reports from Board committees on their activities.

10. Corporate governance matters

- 10.1 Undertaking a formal and rigorous annual review of its own performance, that of its committees and individual directors and the division of responsibilities.
- 10.2 Determining of the independence of non-executive directors in light of their character, judgment and relationships.
- 10.3 Considering the balance of interests between shareholders, employees, customers, the community and other relevant stakeholders.
- 10.4 Review of the group's overall corporate governance arrangements.

10.5 Receipt of reports on the views of the Company's shareholders to ensure that they are communicated to the Board as a whole.

10.6 Authorising conflicts of interest where permitted by the Company's Articles.

11. Policies

11.1 Approval of policies, including:

- (a) Code of Conduct;
- (b) Share dealing code;
- (c) Bribery prevention policy;
- (d) Whistleblowing policy;
- (e) Health and safety policy;
- (f) Environment and sustainability policy;
- (g) Communications policy including procedures for the release of price-sensitive information;
- (h) Corporate social responsibility policy; and
- (i) Charitable donations policy

12. Miscellaneous

12.1 Approving any political donations or expenditure, within the parameters set by shareholders at the Company's AGM.

12.2 Approval of the appointment of the group's principal professional advisers.

12.3 Prosecution, commencement, defence or settlement of litigation or an alternative dispute mechanism where the sum involved exceeds £100,000 or which is otherwise material to the interests of the group.

12.4 Approval of the overall levels of insurance for the group including directors' & officers' liability insurance and indemnification of directors.

12.5 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.

12.6 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.

12.7 Approving any other matters that are reserved for decision by the Board in accordance with applicable law or regulation, or pursuant to accepted best practice, or under the Articles.

12.8 This schedule of matters reserved for board decision.

Approved by the Board on 24th April 2023