

## **MATRIX INCOME & GROWTH 3 VCT PLC**

### **Schedule of matters reserved for the approval of the Board**

The agenda for each routine meeting of the Board of Directors shall include the following:

- (a) A report from the Investment Committee;
- (b) A report from the Audit Committee (if it has met in the period since the immediately preceding meeting of the Board);
- (c) A quarterly progress reports from Matrix Private Equity Partners LLP including valuations of each investment and comment on the extent to which each of the investee companies are regarded as qualifying holdings.
- (d) A report from Matrix Securities Limited to include quarterly management accounts, interim accounts and annual accounts as appropriate;
- (e) A report from PricewaterhouseCoopers on the Annual and Half-yearly Accounts, each of which will include sufficient information to enable the Directors to monitor the Company's position in respect of VCT status to be included twice-yearly.

### **Matters reserved for the approval of the Board**

#### **1. Strategy and management**

- 1.1 Responsibility for the overall management of the Company.
- 1.2 Approval of the Company's long-term objectives and commercial strategy.
- 1.3 Approval of the annual expenses budget.
- 1.4 Oversight of Company's operations ensuring:
  - Competent and prudent management
  - Sound planning
  - An adequate system of internal control
  - Adequate accounting and other records
  - Compliance with statutory and regulatory obligations.
- 1.5 Review of performance in the light of the Company's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.6 Review of performance of the investment adviser and other service providers.

#### **2. Structure and capital**

- 2.1 Changes relating to the Company's capital structure or its status as plc.

#### **3. Investments**

- 3.1 Approval of each venture capital investment and divestment opportunity.

#### **4. Financial reporting and controls**

- 4.1 Approval of half-yearly report, interim management statements and any preliminary announcement of the final results.
- 4.2 Approval of the Annual Reports and Accounts.
- 4.3 Approval of dividend policy.
- 4.4 Declaration of interim dividends and recommendation of the final dividend.
- 4.5 Approval of any significant change in accounting policies or practices.

#### **5. Internal controls**

- 5.1 Ensuring maintenance of a sound system of internal control and risk management including:
  - Receiving reports on, and reviewing the effectiveness of, the Company's risk and control processes to support its strategy and objectives.
  - Undertaking an annual assessment of these processes;
  - Approving an appropriate statement for inclusion in the Annual Report.

**6. Contracts**

- 6.1 Agreements with the Investment Advisor and other service providers.
- 6.2 Other material contracts of the Company.
- 6.3 Contracts of the company not in the ordinary course of business

**7. Communication**

- 7.1 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 7.2 Approval of all circulars, prospectuses and listing particulars.
- 7.3 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 Nominations and Remuneration Committee.
- 8.2 Ensuring adequate succession planning for the Board.
- 8.3 Appointments to the Board, following recommendations by the Nominations and Remuneration Committee.
- 8.4 Selection of the Chairman of the Board.
- 8.5 Appointment of the senior independent director.
- 8.6 Membership and chairmanship of board committees.
- 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 Authorisation of conflicts of interests notified to the Board in accordance with s175 of the Companies Act 2006
- 8.9 Appointment or removal of the company secretary.

**9. Remuneration**

- 9.1 Determining the remuneration policy following recommendations from the Nominations and Remuneration Committee.
- 9.2 Determining the remuneration of the non-executive directors following recommendations from the Nominations and Remuneration Committee.

**10. Delegation of authority**

- 10.1 Approval of terms of reference of board committees.
- 10.2 Receiving reports from board committees on their activities.

**11. Corporate governance matters**

- 11.1 Undertaking a formal and rigorous annual annually of its own performance and that of its committees and individual directors.
- 11.2 Determining the independence of directors.
- 11.3 Considering the balance of interests between shareholders, employees, customers and the community.

**12. Other**

- 12.1 Appointment of the Company's principal professional advisors.
- 12.2 Prosecution, defence or settlement of litigation.
- 12.3 Approval of directors' & officers' liability insurance for the Company
- 12.4 This schedule of matters reserved for decision by the Board.

Matters which the Board considers suitable for delegation are contained in the terms of reference of its committees.

In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Company.