

## **UNICORN AIM VCT PLC**

### **MATTERS RESERVED FOR THE APPROVAL OF THE BOARD**

The agenda for each routine meeting of the Board of Directors shall include the under-noted items of business:

- (b) A report from the Audit Committee (if it has met in the period since the immediately preceding meeting of the Board);
- (c) A written report from Unicorn Asset Management Limited;
- (d) A report from Matrix Securities Limited to include quarterly management accounts, interim accounts and annual accounts as appropriate;
- (e) A review of the Company's compliance with the VCT criteria.

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

#### Investments

1. Receive reports on each new venture capital investment opportunity.
2. Receive quarterly progress reports from Unicorn Asset Management Limited including comment on the extent to which each of the investee companies are regarded as qualifying holdings.

#### VCT Status

Receive bi-annual reports 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.

#### Companies Act requirements

1. Approval of interim and final financial statements.
2. Approval of interim dividend and recommendation of the final dividend.
3. Approval of any significant change in accounting policies or practices.
4. Appointment or removal of the Company Secretary.
5. Remuneration of auditors and recommendations for appointment or removal of auditors on the recommendation of the Audit Committee.

#### Stock Exchange

6. Approval of all circulars to shareholders and listing particulars.
7. Approval of press releases concerning matters decided by the Board.

#### Management Engagement matters

8. Changes relating to the Company's capital structure or its status as a plc.

9. To consider and agree terms on which the Company enters into contracts with third parties for the provision of management services (or giving of instructions for such services to be provided to the Company by third parties); in particular the Investment Advisers' Agreement, other material contracts and contracts not in the ordinary course of business.
10. To monitor and assess management systems within the Company and to take appropriate action to resolve on-going management issues arising from the engagement of third parties.

#### Nomination matters

11. The appointment of the chairman and non-executive directors to the Board and preparation of job specifications for each appointment, as appropriate.
12. Preparation of letters of appointment to set out the expected time commitment of the non-executive directors.
13. Induction of new Directors.
14. Board composition and succession planning, with reference to the number on the Board and balance of the Board in terms of age and range of skills of the Board members;
15. Periodic review of the constitution of the Board.
16. Establishment of an Audit Committee, a Nominations and Remuneration Committee and other committees that may be required and determination of the terms of reference and membership of such committees.
17. The re-election by shareholders of any Director under the 'retirement by rotation' provisions in the Company's Articles of Association.
18. Nomination of Directors to Board committees.
19. Issues or potential issues arising where a conflict of interest could be foreseen as a result of the outside business activities of Board members, taking particular care when other non-executive directors are advising or supporting the Board.
20. Authorisation of conflicts of interest notified to the Board and imposing any conditions on said authorisation as appropriate.
21. Reviewing the authorisation of conflicts of interest at least annually.

#### Remuneration matters

22. The levels and make-up of remuneration which are sufficient to attract, retain and motivate directors of the quality required which are needed to run the Company successfully.
23. The structuring of a proportion of directors pay to reward corporate and individual performance if appropriate.
24. The development of a procedure for fixing remuneration packages to ensure that no Director is involved in deciding his or her own remuneration.

#### Miscellaneous

25. Risk management strategy
26. Annual review of the effectiveness of the Company's system of internal control
27. Treasury policies
28. Prosecution, defence or settlement of litigation
29. Internal control arrangements
30. Directors' and Officers' liability insurance
31. Approval of borrowing facilities
32. Granting of any guarantees, warranties or indemnities
33. Granting of any security or charge
34. Formulation of policy regarding charitable or political donations
35. Appointment of professional advisers in addition to the Company's Auditors

All other significant issues pertinent to the Company's development shall be resolved either by Board decision or by decision of a committee suitably authorised by the Board.