

## **GEORGIA CAPITAL PLC INVESTMENT COMMITTEE TERMS OF REFERENCE**

These terms of reference identify and formalise the roles, tasks and responsibilities of the Investment Committee (the **Committee**) of Georgia Capital PLC (the **Company**) and the authority delegated to the Committee by the board of directors of the Company (the **Board**). References to the **Group** shall mean the Company and its subsidiaries.

### **1. MEMBERSHIP**

- 1.1 The Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the chairman of the Committee (the **Committee Chairman**), and shall consist of a minimum of three members, including executive directors. The Board Chairman may also serve on the Committee as an additional member if he was considered independent on appointment as chairman
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as other directors, the CEO, the CFO, legal, internal and external audit and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary with the agreement of the Committee Chairman. .
- 1.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director continues to meet the criteria for membership of the Committee..
- 1.4 The Board shall appoint the Committee Chairman. As with any selection process, the appointment shall be made based on merit and in accordance with the Company's diversity policy. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
- 1.5 If a regular member is unable to act due to absence, illness or any other cause, the member or, failing them, the Committee Chairman may appoint another director or member of senior management of the Company to serve as an alternate member.

### **2. SECRETARY**

- 2.1 The Company Secretary or their nominee shall act as the secretary of the Committee (the **Secretary**) and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

### **3. QUORUM**

The quorum necessary for the transaction of business shall be two members. The required directors meeting either in person or by telephone will constitute a quorum. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. Decisions may be taken by the Committee without a meeting if all of the members of the Committee provide their approval in writing or electronically.

### **4. FREQUENCY OF MEETINGS**

The Committee shall meet at least three times a year at appropriate times and otherwise as required.

### **5. NOTICE OF MEETINGS**

- 5.1 Meetings of the Committee shall be summoned by the Secretary at the request of the Committee Chairman or of any other member of the Committee. Unless otherwise agreed, notice of each

meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and, any other person required to attend not less than five working days prior to the date of the meeting. Supporting papers shall be sent to members of the Committee, and to other attendees as appropriate, at the same time.

## **6. MINUTES OF MEETINGS**

- 6.1 The Secretary shall prepare minutes of the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
- 6.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Unless a conflict of interest exists, all other members of the Board may request copies of the minutes of meetings of the Committee from the Committee Chairman or the Secretary.

## **7. SHAREHOLDER ENGAGEMENT**

The Committee Chairman should attend the annual general meetings of the Company and shall be prepared to respond to any questions from shareholders concerning the Committee's activities. In addition, the Committee Chairman should engage with the shareholders on significant matters related to the Committee's areas of responsibility

## **8. DUTIES**

8.1 The Committee shall:

- (a) manage all aspects of investment policy and strategy for the Group and provide oversight of the Group's investments within strategy and risk frameworks;
- (b) select investment opportunities based upon recommendations of the executive board, such recommendations to be based upon in-depth, rigorous analysis (of business plans, financial statements, projections, risks and rewards, fit with strategy etc) as well as the legal structure of the investment;
- (c) consider the material commercial and legal terms of relevant Major Transactions<sup>1</sup>;
- (d) assess the risks and rewards and general attractiveness and suitability of proposed Major Transactions;
- (e) review Major Transactions in line with the Schedule, where such Major Transaction is or may be a material transaction (as defined in the Schedule);  
where it deems appropriate, make investment recommendations and provide on-going guidance on pricing, contractual negotiations and other considerations prior to signing;
- (f) review each Major Transaction and its development at least twice per year, or more often if necessary;
- (g) ensure that management has the appropriate plans and controls in place with the necessary resources and capability to manage the investment risk framework;
- (h) receive and review on annual basis assurance from management that the investment risk framework adopted by the Group is appropriate; and
- (i) review investments associated with a Major Transaction, where an investment is underperforming or where it is otherwise appropriate to review the possibilities of exiting an investment.

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<sup>1</sup> A "Major Transaction" is an investment opportunity, acquisition or disposal which is in excess of £2.5 million.

8.2 The Committee shall carry out the duties in 8.1 above for the Company, major subsidiary undertakings and the Group as a whole, as appropriate.

## **9. REPORTING RESPONSIBILITIES**

9.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9.3 The Committee shall produce a report of its activities and the Company's investment policy and strategy to be included in the Company's annual report.

## **10. OTHER MATTERS**

10.1 The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Group Company Secretary for assistance as required;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- (c) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code 2018 and the requirements of the Financial Conduct Authority (the **FCA**) Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate; and
- (d) arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **11. AUTHORITY**

11.1 The Committee is authorised:

- (a) to seek any information (subject to applicable laws) it requires from any employee/director of the Group in order to perform its duties;
- (b) to obtain, at the Company's expense, external legal or other professional advice on any matters within its terms of reference where required;
- (c) to request the attendance of any employee (including those of the subsidiaries) at a meeting of the Committee as and when required; and

to sub-delegate any or all of its powers and authority and may establish sub-committees which are to report back to the Committee.

**Reviewed on 9 February 2022**

## Schedule

### 1. Responsibilities for material transactions

- 1.1 If any person within the Group identifies a transaction which is or may be a material transaction, it shall be notified to the Group CFO and the Committee as soon as possible and in any event before such transaction is entered into. All companies within the Group will retain a transaction tracker for this purpose which should be sent to the Group CFO and Committee quarterly.
- 1.2 Upon receipt of any notification in relation to a potential material transaction the Group CFO shall (i) consider whether the proposed transaction is outside the ordinary course of business and, if so or if in doubt, shall (ii) calculate (taking account of any relevant aggregations) the appropriate Class Tests to determine whether the proposed transaction is a Class 1, Class 2 or reverse takeover transaction. The Group CFO shall notify the Committee members of both his determination under (i) and if ran, the outcome of the Class Tests at (ii) for their final consideration.
- 1.3 The Committee shall consider the Group CFOs notifications pursuant to paragraph 1.2 and confirm their classification of the proposed transaction. The Committee may seek advice from its professional advisors in this regard. If the Committee determines that a transaction is or may be a reverse takeover or a Class 1 transaction it must obtain the guidance of a Sponsor.
- 1.4 If the Committee determines that a transaction is outside of the ordinary course of business and is either a Class 1, Class 2 or reverse takeover transaction, it will escalate such transaction to the Board. Following such notification to the Board, the Committee will remain responsible for the Group's compliance with the Listing Rules with respect to:
- (a) announcements to shareholders;
  - (b) requirements for shareholder approval; and
  - (c) any other Listing Rule requirements.

### 2. Interpretation

For the purposes of this Schedule:

- (a) "*Class 1*" or "*Class 2*" and "*reverse takeover*" has the meaning ascribed to it in the Listing Rules;
- (b) "*Class Tests*" means the class tests set out in the annex to Listing Rule 10;
- (c) "*Listing Rules*" means the Listing Rules set out in the Financial Conduct Authority handbook;
- (d) "*material transaction*" means a transaction proposed to be entered into by any member of the Group which does or may constitute a material (by reference to certain financial parameters circulated by the Group CFO from time to time and at least annually) transaction;
- (e) "*outside of the ordinary course of business*" means transactions of an unusual size and incidence when compared to similar transactions which the company has entered into;

- (f) "*transaction*" includes all agreements (including amendments to agreements) entered into by the Group, including option arrangements, indemnities which may be "exceptional", break fees, joint ventures, and equity issuances by Group companies.