

## **GEORGIA CAPITAL PLC SCHEDULE OF MATTERS RESERVED FOR THE BOARD**

In the interests of efficiency, it is often necessary for the Board of Directors (the **Board**) of Georgia Capital PLC (the **Company**) to delegate certain of its responsibilities to a duly authorised committee of the Board or management, on such terms as the Board sees fit. It is however important for the Board to be clear about those matters which are required to be, or in the interests of the Company, should be decided by the Board as a whole.

This Schedule of Matters Reserved for the Board identifies and formalises those matters reserved for the Board. Those items marked \* require approval of the full Board and cannot be delegated to a committee or an individual director (either because of the requirements of the Companies Act 2006 or because of the UK Corporate Governance Code 2018, as published by the Financial Reporting Council (the **FRC**), it is the responsibility of a board committee to make a recommendation to the Board).

The term **Group** in this Schedule means the Company and its subsidiary undertakings.

### **1. STRATEGY AND MANAGEMENT**

- 1.1 Responsibility for the overall management of the Group.
- 1.2 Approval of the Group's long term objectives and commercial and investment strategy in a manner which promotes its long-term sustainable success, generating value for shareholders and contributing to wider society.
- 1.3 Approval of the Company's culture, purpose, values and strategy.
- 1.4 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 1.5 Oversight of the Group's operations ensuring:
  - (a) competent and prudent management;
  - (b) sound planning;
  - (c) an adequate system of internal control;
  - (d) adequate accounting and other records;
  - (e) alignment of culture, policy, practices and behaviour throughout the business with the Company's purpose, values and strategy; and
  - (f) compliance with statutory and regulatory obligations.
- 1.6 Review of performance in the light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.7 Ensure that management has the appropriate plans and controls in place with the necessary resources and capability to manage the risk framework and has the necessary resources and budget to carry out its environmental and social activities.
- 1.8 Provide oversight of risk management and performance, and for oversight of environmental and social risks:
  - (a) Determine primary responsibility for managing environmental and social (E&S) risks at the Board level (through the Board as whole, a committee or otherwise);

- (b) Ensure an individual at the senior management level is designated to manage E&S risks and opportunities with this individual reporting to the Board or a committee of the Board on such matters;
  - (c) Oversee the E&S risks escalated to the Board or the committee from portfolio companies due to their materiality (such escalation to be responsibility of above mentioned individual) and oversee the implementation of the Board's or committee's decisions on such matters.
  - (d) Assign an individual to provide leadership for design and implementation of an ESMS;
  - (e) Ensure that E&S risks and opportunities are periodically, consistently, and transparently reported to all stakeholders (such disclosures can be made in an integrated fashion in the Annual Report or in the Sustainability Report or similar, following UK law).
- 1.9 Receive and review on annual basis assurance from management that the risk framework adopted by the Group is appropriate.
- 1.10 Ensure that the Company's strategic direction is regularly informed by material environmental and social issues.
- 1.11 Extension of the Group's activities into new business or geographic areas.
- 1.12 Any decision to cease to operate all or any material part of the Group's business (see also 5 below).
- 2. STRUCTURE AND CAPITAL**
- 2.1 Changes relating to the Group's capital structure including reductions of capital, share issues (except under employee share plans) and share buy-backs (including the use of treasury shares).
- 2.2 Basis for allocation of capital through the annual capital plan.
- 2.3 Major changes to the Group's corporate structure (see also 5 below).
- 2.4 Changes to the Group's management and control structure.
- 2.5 Any changes to the Company's listing or its status as a plc.
- 3. FINANCIAL AND NON-FINANCIAL REPORTING AND CONTROLS**
- 3.1 \*Approval of the half-yearly report, interim management statements and any preliminary announcement of interim or final results.
- 3.2 \*Approval of the annual report and accounts, including the corporate governance statement and remuneration report.
- 3.3 \*Approval of any other periodic results announcement and/or trading update
- 3.4 \*Approval of the dividend policy.
- 3.5 \*Declaration of any interim dividend and recommendation of any final dividend.
- 3.6 \*Approval of any significant changes in accounting policies or practices (following recommendations by the Audit and Valuation Committee).
- 3.7 Approval of treasury policies (including foreign currency exposure and the use of financial derivatives).

- 3.8 Approval of taxation policy.
- 3.9 At least once a year, review and approval of the following documents to ensure the Company is operating at maximum effectiveness: Nomination Committee Terms of Reference, Remuneration Committee Terms of Reference, Audit and Valuation Committee Terms of Reference, Internal Audit Policy, Policy for the Provision of Non-Audit Services by the External Auditor, Inside Information Disclosure Policy, Securities Dealing Policy and Code, Market Soundings Policy, Anti-Bribery and Anti-Corruption Policy, Code of Conduct and Ethics, Related Party Transaction Policy, Diversity Policy, Environmental and Social Policy, Responsible Investment Policy, \*Whistleblowing Policy and any other policies the Board deem appropriate.

#### **4. INTERNAL CONTROLS**

- 4.1 Ensuring maintenance of a sound system of internal control and risk management including:
- (a) receiving reports on, and maintaining oversight of the effectiveness of the Group's risk and control processes (including for E&S risks) to support its strategy and objectives;
  - (b) undertaking an annual assessment of these processes; and
  - (c) procuring the approval of an appropriate statement from the Audit and Valuation Committee for inclusion in the annual report.
- 4.2 Ensuring there are systems for the workforce of the Group, and encourage the portfolio companies to adopt such systems, to raise concerns in confidence and, if they wish, anonymously, including:
- (a) \*ensuring arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action;
  - (b) \*undertaking an annual assessment of the system; and
  - (c) reviewing reports arising from its operation.

#### **5. CONTRACTS AND M&A**

- 5.1 Approval of major capital projects of the Group.
- 5.2 Other than transactions covered by 5.4, 5.5, 5.6 or 5.7 below, contracts outside of the ordinary course of the Group's business which are material:
- (a) strategically;
  - (b) because the annual value exceeds £2.5 million or the lifetime value exceeds £2.5 million;
  - (c) because they require Insurance State Supervisory Service of Georgia approval (but for the avoidance of doubt excluding approvals relating to change of personnel or positions in Joint Stock Company Aldagi, such as to its board of directors, supervisory board, internal audit teams or similar); or
  - (d) because they require the Company's shareholders approval.
- 5.3 Other than transactions covered by 5.4 or 5.6 below, acquisitions or disposals of the Group that:
- (a) have a value which exceeds £2.5 million;
  - (b) involve 3% or more of the voting rights of a quoted company;

- (c) involve the issue of the Group's securities;
  - (d) require Insurance State Supervisory Service of Georgia approval (but for the avoidance of doubt excluding approvals relating to change of personnel or positions in Joint Stock Company Aldagi, such as to its board of directors, supervisory board, internal audit teams or similar); or
  - (e) require the Company's shareholder approval.
- 5.4 The making of a takeover offer (however so effected) for another company, and the consideration of and response to any offer for the Company or any of its subsidiaries, which is subject to the City Code on Takeovers and Mergers or requires the consent of the Insurance State Supervisory Service of Georgia.
- 5.5 Grant or receipt of loans or other credit by the Company or any subsidiary not in the ordinary course of business where the value exceeds £2.5 million.
- 5.6 Approval of related party transactions in accordance with the Related Party Transactions Policy.
- 5.7 Consideration of material findings and conclusions of the investment team on material environmental and social issues in respect of a potential investment if: (i) the investment reaches the threshold in 5.3(a) above; or (ii) there are significant ESG risks, all in accordance with Responsible Investment Policy.
- 6. COMMUNICATION**
- 6.1 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 6.2 \*Approval of all circulars, prospectuses and listing particulars (save that approval of routine documents such as periodic circulars about scrip dividend procedures or exercise of conversion rights may be delegated to a committee).
- 6.3 \*Approval of press releases concerning matters decided by the Board.
- 6.4 Approval of material regulatory filings with London Stock Exchange, FCA and other regulatory authorities in all relevant jurisdictions.
- 6.5 Ensuring effective engagement with, and encourage participation from, shareholders and other key stakeholders.
- 6.6 Reviewing the effectiveness of stakeholder engagement mechanisms, and encouragement of portfolio companies to carry out engagement with their stakeholders.
- 6.7 Reviewing workforce engagement mechanisms and ensuring workforce policies and practices are consistent with the Group's purpose, values and strategy.
- 6.8 Consider the actions it intends to take to consult shareholders in order to understand the reasons behind a situation where twenty (20) per cent. (%) or more votes have been cast against a Board recommendation for a resolution and provide an update to shareholders in accordance with the UK Corporate Governance Code.

## **7. BOARD MEMBERSHIP AND OTHER APPOINTMENTS**

- 7.1 \*Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.
- 7.2 \*Ensuring adequate succession planning for the Board and senior management so as to maintain an appropriate balance of skills and experience within the Group and on the Board and a diverse pipeline for succession.
- 7.3 \*Appointments to or removals from the Board, following recommendations by the Nomination Committee.
- 7.4 \*Selection of the chairman of the Board, the Group Chief Executive Officer and the Group Chief Financial Officer.
- 7.5 \*Appointment of the senior independent director.
- 7.6 \*Membership and chairmanship of Board committees.
- 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, following the recommendation of the Audit and Valuation Committee.
- 7.11 Appointments to boards of subsidiaries.
- 7.12 Oversight and management of Board/committee effectiveness.
- 7.13 Recommendation of the annual re-election of directors by shareholders.

## **8. REMUNERATION**

- 8.1 \*Determining the remuneration policy for the directors, Group Company Secretary and other senior executives, following recommendations from the Remuneration Committee.
- 8.2 Determining, following recommendations from the Remuneration Committee, the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.
- 8.3 \*Approval 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 Group Chief Executive Officer, Senior Independent Director and other executive directors, which should be in writing.
- 9.2 \*Approval of terms of reference of Board committees.

9.3 \*Receiving reports from Board committees on their activities.

## **10. CORPORATE GOVERNANCE MATTERS**

10.1 \*Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors.

10.2 \*Determining the independence of non-executive directors.

10.3 \*Considering the balance of interests between shareholders, employees, customers and the community.

10.4 Review of the Group's overall corporate governance arrangements.

10.5 \*Receiving reports on the views of the Company's shareholders.

10.6 Considering whether to authorise (and, if so decided, authorising) directors' conflicts of interest for the purposes of section 175 Companies Act 2006 and ensure that the influence of third parties does not compromise or override independent judgment (having regard to any recommendations which may be made for this purpose by the appropriate committee of the Board, including with respect to the terms and conditions upon which any such authorisation should be given).

10.7 Understanding the views of the Company's other key stakeholders and considering section 172(1) of the Companies Act 2006 in Board discussions and decision-making.

## **11. OTHER**

11.1 The making of political donations.

11.2 Approval of the appointment of the Group's principal professional advisers.

11.3 Prosecution, defence or settlement of litigation involving more than £2.5 million or being otherwise material to the interests of the Group.

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

11.5 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.

11.6 This Schedule of Matters reserved for Board decisions.

11.7 Approval of Company's Memorandum and Articles of Association and recommendation to Shareholders

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 Group.

In the event of an urgent, business critical matter requiring Board approval in accordance with the Schedule of Reserved Matters for the Board or under the Group delegation of authority, which arise between scheduled Board meetings, approval will be sought through a Sub-Committee of the Board comprising any two of the Chair and Group CEO, the CFO or Senior Independent Director.

**Reviewed by the Board on 30 October 2023**