

# TRAVERS SMITH

10 Snow Hill London EC1A 2AL  
+44 (0)20 7295 3000 | [www.traverssmith.com](http://www.traverssmith.com)

---

**DATED 28 JULY 2017**

**IMPACT HEALTHCARE REIT PLC**

**MATTERS RESERVED FOR THE BOARD**

## **IMPACT HEALTHCARE REIT PLC (the "Company") MATTERS RESERVED FOR THE BOARD**

This document sets down those powers reserved for the full Board of the Company (the "**Board**") and not delegated to the Company's directors. It applies to the Company and each of its subsidiaries (together, the "**Group**"), such that the Directors of all of the Companies subsidiaries are on notice that the following powers may not be exercised by them without the specific authority of the Board. The list contains some matters which the Board cannot, as a matter of law, delegate. The Board may, however, appoint committees as it thinks fit to exercise certain of its powers or delegate certain matters to the boards of directors of certain of its subsidiaries. Specific areas of delegation are set out in the Terms of Reference for the Audit Committee and the Management Engagement Committee of the Company as required by the AIC Code, although the final decision on these matters is required to be taken by the whole Board.

### **1. STRATEGIC ISSUES**

**1.1** To approve the risk management policies for the Group including insurance, hedging and borrowing limits.

**1.2** To approve:

**1.2.1** the formation, acquisition, divestment or liquidation of any Group company (including a joint venture company) or other assets or liabilities;

**1.2.2** any investments, divestments or any other transactions; and

**1.2.3** the incurring of any transaction fees and/or costs in relation to any potential investments, divestments or any other transactions,

in each case where such transaction constitutes either a Class 1 or Class 2 transaction or a reverse takeover for the purposes of the Listing Rules issued by the UK Listing Authority (as voluntarily adopted by the Company).

**1.3** To review the performance of the Group in light of the Group's strategy objectives and budgets ensuring that any necessary corrective action is taken.

**1.4** To be responsible for the appointment and overall supervision of the Group's service providers.

**1.5** To approve any decision to propose the winding-up of the Company to its Shareholders or any decision to wind-up a member of the Group, save for a dormant subsidiary.

**1.6** To approve any changes to the Company's listing or its status as a plc.

### **2. FINANCIAL ITEMS**

**2.1** To approve the annual and half-yearly reports, any quarterly financial statement and any preliminary announcement of the final results and the annual report and accounts including the corporate governance statement.

- 2.2** To approve the dividend policy, declare the interim dividend and recommend the final dividend.
- 2.3** To approve any significant changes in accounting policies and practices.
- 2.4** To approve the recommendations of the Audit Committee, including the remuneration of the Company's Auditors and recommendations for the appointment, re-appointment or removal of the Company's Auditors to be put to shareholder approval.
- 2.5** To approve the accounting policies and practices (including any significant changes thereto) to be applied and adopted in the preparation of the Group's financial statements and to receive any proposed qualification to the accounts.
- 2.6** To ensure the maintenance of a sound system of financial controls and risk management including receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives, undertaking an annual assessment of these processes and approval of an appropriate statement for inclusion in the annual report.
- 2.7** To receive and review the reports of the Audit Committee.
- 2.8** To approve the Group's financial model including the projected working capital and any material changes to it.
- 2.9** To approve increases in the authorised share capital of the Company and the issue of shares or of securities conferring rights of subscription for or conversion into shares in the Company.
- 2.10** To authorise transfers to reserves and appropriations of profit by the Company.
- 2.11** To authorise calls on or forfeiture of shares.
- 2.12** To approve any own purchases or redemptions of shares or any reductions of capital by the Company including the use of treasury shares.
- 2.13** To approve any contracts between any member of the Group and a third party, including relating to property or land, in excess of one year's duration or not in the ordinary course of business.
- 2.14** To approve any contracts to which any member of the Group is a party which are material strategically or by reason of size entered into in the ordinary course of business above £1 million.
- 3. TREASURY ITEMS**
- 3.1** To receive at least twice each year proposals setting out the policy for the financing of the Group.
- 3.2** To approve the issue to third parties of debenture or loan stocks, bonds and other paper programmes, delegating authority, as appropriate, to finalise details.

- 3.3 To approve guarantees and letters of comfort given by the Group where the amount of the loan or liability exceeds £100,000.
- 3.4 To approve in principle the granting of security over any Group asset, the entering into of loan facilities, debt factoring, sale and leaseback arrangements and contracts for derivatives, in each case with third parties, delegating authority, as appropriate, to finalise details.
- 3.5 To approve at least once each year proposed credit limits for the placing of deposits with individual financial institutions.
- 3.6 To receive and review at least twice each year proposals in respect of the management of the Company's interest rate exposures.

#### **4. LEGAL, ADMINISTRATION AND OTHER BENEFITS**

- 4.1 To authorise the commencement or settlement of any legal (or similar) process in relation to matters having a value or effect on the Group in excess of £100,000.
- 4.2 To authorise signatories on the Company's bank mandate, determine who should be permitted to be on the bank mandate of any Group company and authorise/ratify the affixing of the Common Seal of the Company.
- 4.3 To receive and review any material litigation affecting any member of the Group.
- 4.4 To receive notification of sales or purchases of shares by directors or any other persons discharging managerial responsibility of the Company in accordance with the Company's Share Dealing Code for such transactions by directors.
- 4.5 To approve the overall levels of insurance for the Group including Directors' and Officers' liability insurance and indemnification of directors.

#### **5. COMMUNICATIONS WITH SHAREHOLDERS**

To approve:

- 5.1 the form and issue of the annual report, any preliminary statement and the interim report and any other similar reports or statements of the Company including those published on a quarterly basis;
- 5.2 the form and issue of circulars to shareholders of the Company and the form and issue of other prospectuses/issue documents;
- 5.3 company announcements or press releases (i.e. to the Financial Conduct Authority or the London Stock Exchange) concerning matters decided by the Board;
- 5.4 the calling of shareholder meetings and the resolutions to be put forward at general meetings; and

**5.5** any communications with analysts in connection with the items mentioned in paragraphs 5.1 and 5.3 above.

## **6. BOARD APPOINTMENTS AND ARRANGEMENTS**

**6.1** To approve:

**6.1.1** changes to the structure, size and composition of the Board;

**6.1.2** arrangements relating to the appointment and resignation of directors to or from the Board and of the Company Secretary and all terms and conditions thereof (including, for the avoidance of doubt, their removal from office). In the case of the non-executive directors, the terms and conditions, including fees from time to time, shall be for approval by the Board in accordance with the Articles of Association;

**6.1.3** the appointment of directors to specified offices of the Board including the Chairman and senior independent director;

**6.1.4** the continuation in office of directors at the end of their term of office or at any time;

**6.1.5** the Chairmanship, composition and terms of reference of the Audit Committee, the Management Engagement Committee and any other committees established by the Board and to receive the reports of such Committees on their activities;

**6.1.6** transactions with directors and other related parties;

**6.1.7** appointments to the boards of directors of other members of the Group;

**6.1.8** in accordance with the Company's Articles of Association and any statutory requirements any authorisation relating to an actual or potential conflict of interest requested by any director; and

**6.1.9** any other matter as directed from time to time by the Board.

**6.2** To ensure adequate succession planning for the Board.

## **7. MISCELLANEOUS**

**7.1** To approve procedures for the release of inside information.

**7.2** To approve the appointment of professional advisers for any Group company in addition to the Company's Auditors.

**7.3** To approve this schedule of matters reserved for Board decisions.

**7.4** To undertake a formal and rigorous review annually of its own performance, that of its committees and individual directors.

- 7.5 To determine the independence of the directors.
- 7.6 To receive reports on the views of the Company's shareholders.
- 7.7 To consider the balance of interests between shareholders and the community.
- 7.8 To review the Group's overall corporate governance arrangements.

## 8. **MONETARY LIMITS**

Those monetary limits specified in paragraphs 3.3 and 4.1 are subject to variation by the Board on a specific or general basis (as the case may be).

In addition to the specific areas of delegation mentioned above, the Board has delegated certain of its powers to the Audit Committee and the Management Engagement Committee in accordance with the AIC Code.

References in this document to the "**Group**" mean the Company and its subsidiaries.

Approved by the Board on 28 July 2017