

## EUROPEAN OPPORTUNITIES TRUST PLC (the "Company")

### Matters reserved for the Board

Responsibility for effective governance lies with the Board, whose role is to promote the long-term success of the Company.

The Board has established and delegated certain matters to a number of Committees of the Board. The details and extent of such delegation is set out in the terms of reference of those Committees.

The Board has delegated the day-to-day management of the Company to the Investment Manager. Contractual arrangements are in place with the Investment Manager and other third-party service providers which define areas where the Company has delegated authority to them. Although certain functions are delegated, the Board retains ultimate responsibility for establishing a framework of prudent and effective controls which enable risk to be assessed and managed.

The following matters are specifically reserved for approval by the Board. This schedule is not, however, exclusive and does not derogate from (a) the Board's overall duties and responsibilities as a matter of law or (b) the Board's right to require any matter (irrespective of whether it has been delegated or not) that it considers relevant be brought to the Board for decision and/or information purposes.

#### **1. Strategy and Management**

- Approval of the Company's purpose, values and strategy.
- Approval of the Company's investment policy and any material changes, subject to shareholder approval.
- Oversight and approval of investment restrictions and limits including principal operating issues, such as gearing, derivatives, share buybacks and issuances.
- Reviewing, and amending where appropriate, investment policy guidelines.
- Approval of the Company's policies including any policies with respect to capital management, dividend, discount management and gearing.
- Approval of the Company's borrowing amounts and limits.
- Approval of any matters relating to winding up, liquidation or continuation resolutions proposed to shareholders for approval, having regard to the requirements of the Company's Articles of Association.

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

- Changes relating to the Company's capital structure including reduction of capital, share issuances and buybacks (including use of treasury shares).
- Significant changes to the Company's corporate structure or management and control structure.
- Approval of any change in the domicile or listing of the Company.

#### **3. Financial reporting and controls**

- Approval of the Company's annual and half-yearly financial reports.
- Approval of interim dividends and proposals for final dividends to be recommended for shareholder approval.

## MATTERS RESERVED FOR THE BOARD

- Approval of any significant changes in accounting policies or practices.
- Approval of any changes to the allocation of expenses to revenue and capital.
- Approval of any material unbudgeted expenditure.
- The appointment, removal and, where authorised by shareholders, remuneration of the Company's auditors.

### 4. Internal controls and risk management

- Ensuring a sound system of internal control and risk management including:
  - Approval of any changes to the Company's risk framework; and
  - Approval of policies and procedures for the management of principal and emerging risks.
- Receiving reports on, and reviewing the effectiveness of, the Company's risk and control processes to support its strategy and objectives.
- Approving policies that pertain to financial crime, fraud and the prevention of bribery.
- Oversight of the Company's compliance with statutory and regulatory obligations.

### 5. Contracts

- The appointment, variation of terms or removal of the Investment Manager and other third-party service providers.
- All material contracts such as borrowing arrangements.

### 6. Communication

- Approval of resolutions and related documentation to be put forward to shareholders at a general meeting.
- Approval of circulars, prospectuses and listing particulars or other similar documents relating to the listing and/or admission to trading of securities of the Company.
- Approval of the release of any material and/or publicly sensitive information.
- Approval of any communications which are likely to have a material impact on the Company from any perspective, including, but not limited to, financial, operational, strategic or reputational.

### 7. Board composition and appointment

- Changes to the structure, size and composition of the Board.
- Approval of policies with respect to director tenure, diversity and inclusion.
- Ensuring adequate succession planning for the Board and its Committees.
- Appointment of the Chair.
- Appointment of the Senior Independent Director. Membership and Chairing of Board committees.
- Appointment or removal of the Company Secretary.

### 8. Directors' Remuneration

## MATTERS RESERVED FOR THE BOARD

- Determining the remuneration of the directors, subject to the articles of association and remuneration policy as appropriate.
- Oversight of any proposed changes to remuneration policy to be recommended to shareholders for approval.

### 9. Delegation of authority

Establishing Board committees and approval of their terms of reference and any amendments thereto.

### 10. Corporate governance matters

- Undertaking an annual review of the performance of the Board, its committees and individual directors together with the division of responsibilities.
- Determining the independence of non-executive directors (in accordance with the criteria set out in the Code of Corporate Governance issued by the Association of Investment Companies).
- Considering how the Company balances the interests of its stakeholders including shareholders, service providers, investee companies and the wider community.
- Undertaking appropriate engagement to ensure a clear understanding on the views of the Company's shareholders and other key stakeholders.
- Approval of a process with the Investment Manager regarding stewardship and voting in respect of holdings in investee companies.
- Authorising actual or potential conflicts of interest (where permitted by the Company's articles of association).
- Authorisation of any area of potential conflict of interest arising from an external directorship or other business position or interest held by a director.

### 11. Other

- The prosecution, defence or settlement of any litigation material to the interests of the Company.
- Approval of the appointment of the Company's principal professional advisers.
- The making of any political donations.
- Approving overall levels of insurance for the Company including Directors' and Officers' liability insurance.
- Approval of any changes to the schedule of matters reserved for the Board's decision.

Last reviewed and approved: 16 November 2022