

**SMITHSON INVESTMENT TRUST PLC (the "Company")
SCHEDULE OF 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. 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 Company's long-term objective and any decisions of a strategic nature including any change in investment objective, policy and restrictions, including those which may need to be submitted to shareholders for approval.
- 1.2** To approve the risk management policies for the Company including insurance, hedging and borrowing limits.
- 1.3** To approve:
 - 1.3.1** the formation, acquisition, divestment or liquidation of any company (including a joint venture company) or other assets or liabilities;
 - 1.3.2** any investments, divestments or any other transactions; and
 - 1.3.3** 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.
- 1.4** To review the performance of the Company in light of the Company's strategy objectives and budgets ensuring that any necessary corrective action is taken.
- 1.5** To be responsible for the appointment, overall supervision and removal of the Company's service providers and any material amendments to the agreements or contractual arrangements with any key delegates or service providers.
- 1.6** To approve any decision to propose the winding-up of the Company to its Shareholders.
- 1.7** 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 any interim dividend and recommend any 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 Company'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 Company'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 Company's annual budget and any forecast.
- 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 the Company and a third party, which are not either: (a) in the ordinary course of business or (b) pursuant to an investment made in accordance with the Company's investment policy.

3. TREASURY ITEMS

- 3.1** To approve the issue to third parties of debenture or loan stocks, bonds and other paper programmes, delegating authority, as appropriate, to finalise details.
- 3.2** To approve any guarantees and letters of comfort given by the Company.

3.3 To approve in principle the granting of security over any Company asset, the entering into of loan facilities, debt factoring, sale and leaseback arrangements and contracts for derivatives, delegating authority, as appropriate, to finalise details.

3.4 To approve proposed changes to credit limits for the placing of deposits with individual financial institutions.

4. LEGAL, ADMINISTRATION AND OTHER BENEFITS

4.1 To authorise the commencement or settlement of any legal (or similar) process and receive and review any litigation.

4.2 To authorise signatories on the Company's bank mandate, determine who should be permitted to be on the bank mandate of the Company and authorise/ratify the affixing of the Common Seal of the Company.

4.3 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.

4.4 To approve the overall levels of insurance for the Company including Directors' and Officers' liability insurance and indemnification of directors.

4.5 To adopt policies where required (e.g. conflicts of interest, anti-bribery, anti-money laundering).

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; and

5.4 the calling of shareholder meetings and the resolutions to be put forward at general meetings.

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).;
 - 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** 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
 - 6.1.8** any other matter as directed from time to time by the Board.
- 6.2** To ensure adequate succession planning for the Board.

7. BOARD REMUNERATION

- 7.1** To determine and agree the remuneration of non-executive directors, taking into account all factors which it deems necessary including:
- 7.1.1** relevant legal and regulatory requirements;
 - 7.1.2** the provisions and recommendations of the UK Corporate Governance Code and the AIC Code and associated guidance;
 - 7.1.3** remuneration trends in other companies;
 - 7.1.4** the advice of any remuneration consultants engaged by the Board.

Each individual director shall not be involved in any decisions as to their own remuneration.

- 7.2** To ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 7.3** To agree the policy for authorising claims for expenses for the directors.

8. MISCELLANEOUS

- 8.1** To approve procedures for the release of inside information.
- 8.2** To approve the appointment of professional advisers for the Company in addition to the Company's Auditors.
- 8.3** To approve this schedule of matters reserved for Board decisions.
- 8.4** To undertake a formal and rigorous review annually of its own performance, that of its committees and individual directors.
- 8.5** To determine the independence of the directors.
- 8.6** To receive reports on the views of the Company's shareholders.
- 8.7** To consider the balance of interests between shareholders and the community and the impact of any decisions on the community and the environment.
- 8.8** To review the Company's overall corporate governance arrangements.

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.

Approved by the Board on 30 January 2020