

Nippon Active Value Fund PLC

Schedule of matters reserved for the Board

Introduction

The board of directors ("**Board**") of Nippon Active Value Fund plc ("**Company**") consists of non-executive directors. The Company has contractually delegated the provision of key services to third parties. However, the Board also has overall responsibility for the Company's activities, including reviewing its investment activity, performance, business conduct and policy and, unless required to be performed by the AIFM as a matter of law, certain matters have been reserved for consideration by the Board, including those matters listed in this schedule.

The Board will meet at least four times a year and will hold other meetings as and when necessary to deal with relevant matters.

The Board will initially comprise five (5) non-executive directors and the quorum for Board meetings shall be two (2) directors.

1 Strategy and management

- 1.1 Responsibility for overall management of the Company including the review of the performance of the Company in light of the Company's strategy, objectives and budgets and ensuring that any necessary corrective action is taken
- 1.2 Approval of the Company's long term objective and any decisions of a strategic nature
- 1.3 Approval of the Company's risk management policies including insurance, hedging and borrowing limits
- 1.4 Consideration of any change in investment objective, policy and restrictions, including those which may need to be submitted to Shareholders for approval
- 1.5 Approval of any decision to propose the winding-up of the Company to its Shareholders.

2 Share capital

- 2.1 Changes to the Company's share capital
- 2.2 Changes to the Company's listing status

3 Financial reporting

- 3.1 Approval of half-yearly financial reports and results announcements
- 3.2 Approval of annual report and accounts and any contents therein

- 3.3 Approval of any interim dividends, any recommendation to shareholders in respect of final dividends and the Company's dividend policy
- 3.4 Approval of 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
- 3.5 Approval of 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

4 Internal controls

- 4.1 Oversight of appropriate system of internal controls
- 4.2 Approving any actual or potential conflicts of interest
- 4.3 Receiving reports on internal controls from the AIFM, Investment Adviser and Administrator
- 4.4 Conducting an annual assessment of the controls of the above service providers
- 4.5 Statement on internal controls to be made in Annual Report

5 Contracts

- 5.1 All material contracts entered into or terminated by the Company, including in particular, any contracts relating to the borrowings of the Company, such as facility agreements, guarantees or any grant of security of any kind

6 Communication

- 6.1 Approval of all resolutions to be put forward at meetings
- 6.2 Approval of all circulars, prospectuses and listing particulars
- 6.3 Approval of procedures for release of inside information

7 Board

- 7.1 Changes to structure, size or composition of the Board
- 7.2 Succession planning
- 7.3 Selection of Chairman of the Board and of Board committees
- 7.4 Appointment of senior independent director (if one appointed)
- 7.5 Appointment or removal of company secretary
- 7.6 Appointment or removal of auditor
- 7.7 Determining the remuneration of the directors
- 7.8 Determining insurance cover requirements for the Board

8 Board committees

- 8.1 Approving terms of reference for committees
- 8.2 Receiving reports from committees

9 Service providers

- 9.1 The appointment, overall supervision and removal of key service providers and any material amendments to the agreements or contractual arrangements with any key delegates or service providers
- 9.2 Review of the performance of the AIFM, Administrator and the Investment Adviser
- 9.3 Review of the performance of key service providers

10 Corporate governance

- 10.1 Review of the Company's corporate governance processes and arrangements
- 10.2 Considering the performance of the Company's directors
- 10.3 Considering the directors' independence

11 Other

- 11.1 Approval of the commencement of any litigation or arbitration
- 11.2 Approval of any amendments to this schedule of reserved matters
- 11.3 Any other matters, which the Board deems to be appropriate for its reservation.

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