

AMATI AIM VCT PLC
(the “Company”)

Role of the Chair of the Board

AIC Code requirements:

1. Shareholder engagement

Provision 5.2.3: In addition to formal general meetings, the chair should seek regular engagement with major shareholders in order to understand their views on governance and performance against the company’s investment objective and investment policy. Committee chairs should seek engagement with shareholders on significant matters related to their areas of responsibility. The chair should ensure that the board has a clear understanding of the views of shareholders. *(Incorporates relevant content from UK Code Provision 3)*

2. Responsibility for board effectiveness

Principle 6.1 F: The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information. *(UK Code Principle F)*

3. Acting on board performance review results

Provision 7.2.26: There should be a formal and rigorous annual review of the performance of the board, its committees, the chair and individual directors. The chair should consider having a regular externally facilitated board performance review. In FTSE 350 companies this should happen at least every three years. The external reviewer should be identified in the annual report and a statement made about any other connection it has with the company or individual directors. *(Incorporates relevant content from UK Code Provision 21)*

Provision 7.2.27. The chair should act on the results of the board performance review by recognising the strengths and addressing any weaknesses of the board. Each director should engage with the process and take appropriate action when development needs have been identified. *(UK Code Provision 22)*

4. Membership of Committees

Provision 7.2.22: The chair of the board should not chair the nomination committee when it is dealing with the appointment of their successor.

Provision 8.2.29: The chair of the board should not chair the audit committee but can be a member if they were independent on appointment. If the chair of the board is a member of the audit committee, the board should explain in the annual report why it believes this is appropriate.

Provision 9.2.37: The chair of the board can only be a member of the remuneration committee if they were independent on appointment and cannot chair the committee.

Provision 9.2.41: The remuneration committee, in conjunction with the chair, should be responsible for setting the directors' remuneration levels.

FRC Corporate Governance Code Guidance (January 2024):

1.14. The chair has a key role to play in representing the company to its key stakeholders and is encouraged to report personally in the annual report about board leadership and effectiveness.

1.30 The chair has the responsibility for creating an inclusive board where a range of views and a constructive exchange of ideas are encouraged.

1.36 The chair has an important role in fostering constructive relations with major shareholders and in conveying their views to the board as a whole.

2.66. The chair is pivotal in creating the conditions for overall board and individual director effectiveness, setting clear expectations concerning the style and tone of board discussions, ensuring the board has effective decision-making processes and applies sufficient and constructive challenge to major proposals. It is up to the chair to make certain that all directors are aware of their responsibilities and to hold meetings with the non-executive directors without the executives present to facilitate a full and frank airing of views.

The chair's role includes:

- Setting a board agenda primarily focused on strategy, performance, value creation, culture, stakeholders and accountability, and ensuring that issues relevant to these areas are reserved for board decision.
- Shaping the culture and diversity in the boardroom.
- Encouraging all board members to engage in board and committee meetings by drawing on their skills, experience and knowledge.
- Fostering relationships based on trust, mutual respect and open communication – both in and outside the boardroom – between non-executive directors and the executive team.
- Developing a productive working relationship with the chief executive, providing support and advice, while respecting executive responsibility and offering constructive challenge.
- Providing guidance and mentoring to new directors as appropriate.
- Leading the annual board performance review, with support from the senior independent director and company secretary, as appropriate, and acting on the results.
- Commissioning regular external board performance reviews.

The chair ensures that:

- Adequate time is available for discussion of all agenda items, in particular strategic issues, and that debate is not truncated.
- There is a timely flow of accurate, high-quality and clear information.
- Challenges are looked at from many perspectives and external expertise is sought for when warranted.
- All directors are aware of and able to discharge their statutory duties.
- The board listens to the views of shareholders, the workforce, customers and other key stakeholders.
- All directors receive a full, formal and tailored induction on joining the board.
- All directors continually update their skills, knowledge and familiarity with the company to fulfil their role both on the board and committees.

2.89 The chair of the board will ensure board committees are properly structured with appropriate terms of reference, which should be published on the company website. The terms of each committee should set out its responsibilities and the authority delegated to it by the board. The chair should ensure that committee membership is periodically refreshed and that individual independent non-executive directors are not over-burdened when deciding the chairs and membership of committees.

2.99 The chair is to ensure that sufficient time is allowed at the board for committees to report on the nature and content of discussion, on recommendations, and on actions to be taken.

2.102 The chair should encourage the chairs of the audit, remuneration and nomination committees to lead discussions at the AGM and make a statement on the activities and achievements of the committee over the year. This could include details of engagement with shareholders on significant matters.

3.161 The chair's vision for achieving the optimal board composition will help the nomination committee review the skills required, identify the gaps, develop transparent appointment criteria and inform succession planning.

3.171 The chair has overall responsibility for the performance review process, involving the senior independent director as appropriate.

3.177 The chair is encouraged to give a summary of the outcomes and actions of the evaluation process in their statement in the annual report.

3.178 When selecting a board reviewer, the chair needs to:

- be clear what the board performance review will offer – each provider will have a different method and experience with cost and approaches varying greatly across providers.
- be mindful of existing commercial relationships and other conflicts of interests, and select a reviewer who is able to exercise independent judgement, and
- agree with the reviewer the objectives and scope of the review, expected quality, value and longevity of service, and communicate this to the board

3.179 To ensure a more valuable review, the chair ensures full cooperation between the company and the reviewer, including full access to board and committee papers and information, to observe meetings, and meet with directors individually.

3.180 The chair is responsible for making sure the board maximises the value of an externally-facilitated board performance review. The chair is likely to find the board evaluation process more valuable if:

- its recommendations are constructive, meaningful and forward-looking.
- it includes views from beyond the boardroom, e.g. shareholders, senior executives who regularly interact with the board, auditors and other advisors, and the workforce.
- it includes peer reviews of directors and the chair plus feedback on each director.
- good practice observed in other companies is shared.
- the reviewer observes the interaction between directors and between the chief executive and chair.
- there is a robust analysis of the quality of information provided to the board.
- feedback is provided to each individual board member, and
- the board is challenged on composition, diversity, skills gaps, refreshment and succession.

The responsibilities of the Chair of the Board

- 1 The Chair leads the Board and is responsible for its overall effectiveness in directing the Company. The Chair should:
 - 1.1 demonstrate objective judgement throughout their tenure;
 - 1.2 promote a culture of openness and debate;
 - 1.3 facilitate constructive board relations and the effective contribution of all Non-Executive Directors;
 - 1.4 ensure that Directors receive accurate, timely and clear information;
 - 1.5 in addition to formal general meetings, seek regular engagement with major shareholders in order to understand their views on governance and performance against the Company's investment objective and investment policy;
 - 1.6 ensure that the Board as a whole has a clear understanding of the views of shareholders; and
 - 1.7 act on the results of the annual review of the performance of the Board, its Committees and individual Directors by recognising the strengths and addressing any weaknesses of the Board.
- 2 The Chair should be independent on appointment when assessed against the circumstances set out in Provision 13 of the AIC Code.
- 3 The Chair may be a member of the Audit Committee if they were independent on appointment, but cannot be the chair of the Committee.
- 4 The Chair may be a member of, and may chair, the Nomination Committee, provided that they are independent of the Manager. The Chair of the Board will not chair meetings of the Nomination Committee that deal with the appointment of his successor.
- 5 The Chair may be a member of the Remuneration Committee if they were independent on appointment, but cannot be the chair of the Committee.

Role of the Senior Independent Director

AIC Code:

Provision 6.2.14. The board should appoint one of the independent non-executive directors to be the senior independent director to provide a sounding board for the chair and serve as an intermediary for the other directors and shareholders. Led by the senior independent director, the non-executive directors should meet without the chair present at least annually to appraise the chair's performance, and on other occasions as necessary. *(UK Code Provision 12)*

FRC Corporate Governance Code Guidance (January 2024):

The roles and responsibilities of the senior independent director

2.67. The senior independent director acts as a sounding board for the chair, providing them with support in the delivery of their objectives and leading the evaluation of the chair on behalf of the other directors. The senior independent director might also take responsibility for an orderly succession process for the chair, working closely with the nomination committee. It may be a good idea for the senior independent director to serve on committees of the board to improve their knowledge of company governance.

2.68 The senior independent director is available to shareholders if they have concerns that contact through the normal channels of chair, chief executive or other executive directors has failed to resolve, or for which such contact is inappropriate.

2.69 When the board or company is undergoing challenge the senior independent director's role becomes critically important. They can work with the chair and other directors, and/or shareholders, to resolve significant issues. Boards need to have a clear understanding of when the senior independent director might intervene in the interest of board and company stability. Examples might include where:

- There is a dispute between the chair and chief executive.
- Shareholders or non-executive directors have expressed concerns that are not being addressed by the chair or chief executive.
- The strategy is not supported by the entire board.
- The relationship between the chair and chief executive is particularly close.
- Decisions are being made without the approval of the full board.
- Succession planning is being ignored.

These issues also need to be considered when defining the role of the senior independent director.

The AIC Code provisions operate on a comply or explain basis. As the Company explains in its Annual Report, the Directors have determined that the size of the Company's Board does not warrant the appointment of a senior independent director.

The above responsibilities are in addition to any Directors' statutory or regulatory duties, as well as other provisions of the AIC Code in relation to the role of the Non-Executive Directors.

Adopted by the Board on 16 June 2022

Last reviewed and updated: 26 March 2025