

DATED 3 October 2023

IMPACT HEALTHCARE REIT PLC

**AMENDED AND RESTATED
MATTERS RESERVED FOR THE BOARD**

IMPACT HEALTHCARE REIT PLC
(the "Company")

AMENDED AND RESTATED
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 supersedes and replaces the schedule of matters reserved to the Board which was approved on 26 April 2018 and amended on 27 October 2020 and 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, the Management Engagement Committee, the Remuneration Committee and the Nomination Committee (together the "**Corporate Governance Committees**") of the Company as required by the AIC Code, although the final decision on certain matters delegated to these Corporate Governance Committees are required to be taken by the whole Board.

Capitalised terms not defined herein shall have the meanings given to them in the amended and restated Investment Management Agreement entered into between the Company and Impact Health Partners LLP on 3 October 2023 and as amended from time to time.

1. STRATEGIC ISSUES

- 1.1** To approve the risk management policies for the Group including insurance, hedging and borrowing limits.
- 1.2** To approve the Group's strategy, including its financial objectives and the delegated authority parameters within which the Company's investment manager must operate in order to exercise its delegated authority (the "**Delegated Authority Parameters**"), annually.
- 1.3** To approve:
 - 1.3.1** the formation or acquisition of any immediate subsidiary of the Company (including a joint venture company) or other assets or liabilities; and
 - 1.3.2** subject to the limitations on board approval set out in paragraph 9 below, any investments or any other transactions.
- 1.4** To approve the incurring of any transaction fees and/or costs in relation to any potential investments or any other transactions referred to in paragraph 1.3 above where:

- 1.4.1** such transaction fees and/or costs would result in a material charge to the Company's income statement in the event that the transaction did not complete; or
 - 1.4.2** the cost of the potential investment or transaction plus the associated transaction fees and/or costs would exceed the value of the relevant asset (as shown in the RICS red book valuation prepared in connection with the relevant acquisition) by more than £500,000.
- 1.5** 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.
- 1.6** To be responsible for the appointment and overall supervision of the Group's service providers.
- 1.7** To approve any decision to:
 - 1.7.1** propose the winding-up of the Company to its Shareholders; or
 - 1.7.2** wind-up, or otherwise divest, a member of the Group, save for a dormant subsidiary;
 - 1.7.3** divest any asset of the Group.
- 1.8** 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 each 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 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 annual cashflow budget and profit and loss budget, including any material changes to the annual cashflow budget or profit and loss budget. For these purposes, a change will be deemed to be material where the incurrence of any particular expense would cause either of the annual budgets as a whole to be exceeded.
- 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 proposals setting out the policy for the financing of the Group at least once each year or otherwise upon:
 - 3.1.1** the request of the Board; or
 - 3.1.2** the occurrence of a material change.
- 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 once 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

5.1 To approve:

5.1.1 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;

5.1.2 the form and issue of circulars to shareholders of the Company and the form and issue of other prospectuses/issue documents;

5.1.3 company announcements or press releases (i.e. to the Financial Conduct Authority or the London Stock Exchange) concerning matters decided by the Board;

5.1.4 the calling of shareholder meetings and the resolutions to be put forward at general meetings; and

5.1.5 the form of any presentation to analysts in connection with the items mentioned in paragraphs 5.1.1 to 5.1.3 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 each of the Corporate Governance Committees and any other committees established by the Board and to receive the reports of the Corporate Governance Committees on their activities;
- 6.1.6** transactions with directors and other related parties except for:
 - (a) any acquisition, transaction or investment in connection with the acquisition of an asset which:
 - (i) is below the threshold specified in paragraph 9.1.1 (b); and
 - (ii) is to be leased to a related party tenant on terms which are substantially the same as those currently in place between the Group and the relevant related party tenant in respect of other assets leased to that tenant and the rent payable under that lease reflects current market rates; or
 - (b) any capital expenditure arrangement entered into with a related party which:
 - (i) is below the threshold specified in paragraph 9.1.3;
 - (ii) was specifically included in the last annual cashflow budget approved by the Board as part of its approval of the Group's annual budget; and
 - (iii) is undertaken on the existing forward funding terms agreed with the relevant related party tenant.

In both cases as long as the transaction does not require Board approval under the Listing Rules or the Disclosure Guidance and Transparency Rules.

For the purposes of this paragraph 6.1.6, a "**related party**" means:

- (a) a related party for the purposes of the Listing Rules or the Disclosure Guidance and Transparency Rules; or

- (b) in respect of the Manager:
 - (i) any person or entity that would be a related party under limb (a) above; and
 - (ii) any person or entity that is:
 - A. a member of the Manager's Group;
 - B. a member of the Minster Topco Group; or
 - C. otherwise an Associate of either of the Principals;

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 where the annual fees payable to such professional advisers are likely to exceed £25,000 and are not specifically contemplated in the Group's annual budget.

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).

9. BOARD VETO

9.1 The Board has the power to veto ("Board Veto") any acquisition, investment, disposal or other transaction proposed to be entered into by the Manager on behalf of the Company, other than:

9.1.1 any acquisition or investment where:

- (c) the proposed Asset will be operated by an existing Tenant of the Group; and
- (d) the value of the proposed Asset (as shown in the RICS red book valuation prepared in connection with the relevant acquisition) is below or equal to the lower of:
 - (i) 3 per cent. of NAV; or
 - (ii) such value as would cause the transaction or investment to constitute a "class 2 transaction" for the purposes of the Listing Rules;

9.1.2 where

- (e) the terms of the lease proposed to be entered into with the relevant existing Tenant are substantially the same as those previously agreed with that Tenant and the rent payable by the Tenant under the proposed lease reflects current market rates; and
- (f) the acquisition of the proposed Asset will not expose the Group to identified potential risks in excess of £2 million in circumstances where the Group will not have the benefit of an insurance policy or indemnity in respect of such risks;

9.1.3 any capital expenditure project in relation to an existing asset with an existing Tenant of the Group where:

- (a) the cost of the proposed works is:
 - (i) within the overall cashflow budget as approved by the Board from time to time in accordance with paragraphs 1.2 and 2.8 of this document; and
 - (ii) on standard rentalised terms at or above the minimum return set out in the Delegated Authority Parameters ; and
- (b) if the project relates to an Asset operated by an Initial Tenant:
 - (i) the cost was specifically included in the last annual cashflow budget approved by the Board; and
 - (ii) is to be undertaken on the existing forward funding terms agreed with that Initial Tenant.

9.1.4 in relation to any new development where:

- (c) the cost of the proposed works is:

- (i) specifically included within the cashflow budget as approved by the Board from time to time in accordance with paragraphs 1.2 and 2.8 of this document; and
- (ii) on standard rentalised terms at or above the minimum return set out in the Delegated Authority Parameters ; and
- (iii) the minimum post-capital expenditure rental cover is expected to be less than 1.75x;

where such acquisition, investment or capital expenditure is in line with the Company's Delegated Authority Parameters and its investment objectives as approved by the Board from time to time in accordance with paragraphs 1.2 and 2.8 of this document and the then available financial resources of the Group, taking into account its future commitments.

In addition to the specific areas of delegation mentioned above, the Board has delegated certain of its powers to the Corporate Governance Committees in accordance with the AIC Code.

This document supersedes and replaces the schedule of reserved matters approved by the Board on 27 October 2020. References in this document to the "**Group**" mean the Company and its subsidiaries.

Approved by the Board on 3 October 2023.