

MATTERS RESERVED FOR THE APPROVAL OF THE BOARD

Section A.1.1. of the UK Corporate Governance Code states that boards should have a formal schedule of matters specifically reserved for their decision. The Company is committed to complying with the corporate governance obligations which apply to Guernsey registered companies. The Company intends to comply with the Code of Corporate Governance produced by the Association of Investment Companies (AIC) where appropriate. By following the AICs Corporate Governance Guide for Investment Companies, the Company is meeting its obligation under the UK Corporate Governance Code.

Items marked * are not considered suitable for delegation to a committee of the board, either because of the requirements of The Companies (Guernsey) Law, 2008 as amended or because under the recommendation of the Cadbury Report they are the responsibility of an audit, nomination or remuneration committee, with the final decision required to be taken by the whole board.

The Company complies with the “Guidance on Corporate Governance in the Finance Sector in Guernsey”, issued by the Guernsey Financial Services Commission on 10 December 2004.

Guernsey Company Law

- 1* Approval of half-year and annual financial statements
- 2* Approval of any significant change in accounting policies or practices
- 3* Appointment or removal of company secretary
- 4* Remuneration of auditors (where, as is usual, shareholders have delegated this power to the board) and recommendations for appointment or removal of auditors.

London Stock Exchange

- 5* Approval of all circulars and listing particulars (approval of routine documents such as periodic circulars re: scrip dividend procedures or exercise of conversion rights could be delegated to a committee).
- 6* Approval of press releases concerning matters decided by the board.

Management

- 7* Changes relating to the capital structure or its listed status.
- 8* Terms and conditions of directors.
- 9* Changes to the company’s Investment Adviser or Administrator.

Board Membership and Board Committees

- 10* Board appointments and removals
- 11* Terms of reference and membership of board committees.

Cadbury Recommendations

- 12* Material contracts of the company in the ordinary course of business e.g. Bank borrowing and acquisition or disposal of fixed assets.
- 13* Contracts of the company not in the ordinary course of business, e.g. loans & repayments, foreign currency transactions, major acquisitions or disposals.
- 14* Major investments (including the making of any take-over bid, where the Company holds in excess of 30% and therefore disclosures need to be made to the Take-Over Panel).
- 15 Treasury policies (including foreign exchange exposures).

Audit Committee (as comprises whole board)

- 16 Consideration of the effectiveness of the Company's internal control systems.
- 17 Review of accounting policies, financial statements and Valuation Policy
- 18 Review of management contracts
- 19 Remuneration of auditors and recommendations for appointment and remuneration
- 20* Approval of the Interim Management Statement

Management Engagement Committee (as comprises whole board)

- 21 Review the performance of, and contractual relations with, service providers (including the Manager)

Remuneration and Nomination Committee (as comprises whole board)

- 21* Review the annual Board, Committees and Directors evaluation

Miscellaneous

- 22* Prosecution, defence or settlement of litigation (being otherwise material to the interests of the Company).
- 23* Directors' and officers' liability insurance
- 24* Approval of the Interim Management Statement