

1. **Division of Responsibility Statements**

The Board has considered the Principles and Provisions of the AIC Code of Corporate Governance (the “Code”). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the “UK Code”), as well as setting out additional Provisions on issues that are of specific relevance to the Company. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council provides more relevant information to shareholders.

In accordance with the AIC Code (Provision 8) which requires Boards to agree a clear division of responsibilities of the Chair, Senior Independent Director (if appointed), Board and Committees which is set out in writing and made publicly available, the Board sets out below the Company’s division of responsibilities:

a. **ROLE OF THE BOARD**

The Board comprise non-executive directors that are independent of the Fund Manager. The Board at all times maintain their independence by following the guidelines as laid down in the AIC Code.

The Board fulfil the responsibilities typically undertaken by a nomination committee and therefore determine the Board’s tenure policy and whether there is a need to have a separate tenure for the Chairman.

The Board’s role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

The Board has established the Company’s purpose, core values and has satisfied itself that these and its culture are aligned.

The Board ensures that the necessary resources are in place for the Company to meet its objectives and measure performance against them. The Board has established a framework of prudent and effective controls, which enable risk to be assessed and managed.

In order for the Company to meet its responsibilities to shareholders and stakeholders, the Board ensures effective engagement with and encourages participation from these parties.

At each of its quarterly Board meetings, the Board assesses the basis on which the Company generates and preserves value over the long-term. The Board regularly assesses and monitors its own culture, including its policies, practices and behaviour to ensure it is aligned with the Company’s purpose, values and strategy. Whilst the Fund Manager has delegated authority to invest the Company’s funds, the Board maintains oversight of the Fund Manager’s activities and may impose restrictions where deemed appropriate.

The Board as a whole fulfils the functions of a management engagement committee. The Board monitors and evaluates the Fund Manager’s contractual relationship with the Company and holds to account the performance of the Manager. Additionally, it evaluates the performance of the Company’s other service providers (such as the Company Secretary, registrar and broker).

The Board, supported by the Company Secretary, ensures that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.

b. **ROLE OF THE CHAIR**

The principal role of the Chair is to provide leadership to the Board. The Chair is responsible for the Board’s overall effectiveness in directing the Company. To achieve this, the Chair

exercises objective judgement and promotes a culture of openness and debate. 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.

The Chair is independent on appointment and throughout his tenure he has no relationship that may create a conflict of interest between the Chair and those of the shareholders as set out in the AIC Code.

The Chair's role includes setting board agendas that focus on strategy, performance, value creation, culture, stakeholders and accountability, and ensuring that issues relevant to these areas are reserved for Board decision. The Chair ensures that adequate time is provided at each Board meeting to allow for each agenda item to be thoroughly debated. Furthermore, the Chair ensures that there is a timely flow of accurate, high-quality and clear information. The Chair ensures that each director is aware of and able to discharge their statutory duties.

The Chair encourages each Board member to participate by drawing on their skills, experience and knowledge and to develop a productive working relationship based on trust, mutual respect and open communication, both inside and outside the Boardroom, between Board members and each of its service providers.

In terms of new Board members, the Chair ensures that each new Board member receives a full, formal and tailored induction on joining the Board and that sufficient guidance and mentoring is undertaken by their fellow Board members.

Whilst certain responsibilities have been delegated to the Company's Audit Committee, the Chair ensures that the Board retains ultimate responsibility for its delegated authority and allows appropriate time for discussion and presentation from the Chair of the Audit Committee at the appropriate Board meeting. Furthermore, the Chair ensures appropriate Terms of Reference are considered and approved by the Board.

The Chair ensures that proceedings at each Board meeting are properly minuted.

In addition to formal general meetings, the Chair seeks regular engagement with major shareholders in order to understand their views on governance and performance against the Company's investment objective and investment policy. The Chair ensures that the Board as a whole has a clear understanding of the views of shareholders.

The Chair implements the annual evaluation of the performance of the Board, its committees, and individual directors. The Chair also considers having regular externally facilitated board evaluations. The Chair acts on the results of the evaluation by recognising the strengths and addressing any weaknesses of the Board.

c. **ROLE OF COMMITTEE**

The roles of the Audit Committee, Management Engagement Committee and Nomination Committee are described in the terms of reference, which can be found on the Company's website.