

The following table, updated on 20 September 2019, highlights the principles of the AIC Code and whether the Company complies with such principles, together with explanations of any deviations from the recommendations included in the AIC Code:

The Board	Complied with?	How the Company complies
1. The chairman should be independent.	Yes	The Chairman, Mr Chris Waldron, is independent and his biography is available on the Company's website and in the Company's Annual Report. The Chairman does not and has not served on any other investment company board managed by the Investment Manager and his performance, and continuing independence, is reviewed as part of the annual performance evaluation process. Due to the size and composition of the board, a replacement Senior Independent Director ("SID") has not been appointed following the retirement of Mrs Evans in January 2018. Any directors, except for the Chairman, will undertake any functions or duties that were carried out by the SID.
2. A majority of the board should be independent of the manager.	Yes	All of the Company's Directors are independent and their biographies are available on the Company's website and in the Company's Annual Report. None of the Company's Directors serve, or have served, on the board of the Investment Manager or any other connected entity.
3. Directors should be submitted for re-election at regular intervals. Nomination for re-election should not be assumed but be based on disclosed procedures and continued satisfactory performance.	Yes	All Directors are submitted for re-election every year, in accordance with the AIC Code and Company's Articles of Incorporation and, where applicable, pursuant to Corporate Governance best practice and performance.
4. The board should have a policy on tenure, which is disclosed in the annual report.	Yes	The Company's tenure policy is disclosed within the Annual Report. Mr Ward has served as a Director since 2007. Thereafter, the longest serving Director is Mr Waldron (Chairman) who was appointed in 2014. However, it should be noted that it is Mr Ward's intention to step down at the AGM of the Company to be held in 2019.
5. There should be full disclosure of information about the board.	Yes	Biographies of the Company's Directors are available on the Company's website and in the Company's Annual Report. Furthermore, the Annual Report discloses the details of the Board committees together with board and committee meeting attendance.

		<p>Due to the size of the Board, and that it is comprised wholly of independent non-executive directors, all directors are members of the established committees. The Chairman of the Board does not act as chairman of the established committees and their terms of reference are available to view on the Company's website.</p> <p>The Board has not deemed it necessary to establish a nomination committee as the Board is comprised wholly of independent non-executive directors.</p>
6. The board should aim to have a balance of skills, experience, length of service and knowledge of the company	Yes	<p>Biographies of the Company's Directors are available on the Company's website and in the Company's Annual Report. The Board believe that they have the balance of skills, experience, length of service and knowledge of the Company required. The annual performance evaluation should identify any gaps in knowledge if applicable. New Board appointments are made based on merit, against objective criteria, and with due regard for the benefits of diversity.</p>
7. The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.	Yes	<p>The Board undertakes a formal and rigorous evaluation of performance on an annual basis in the form of self-appraisal questionnaires and a detailed discussion of the outcomes. The Board last undertook a performance evaluation in September 2019. The process of Board evaluation is explained within the Company's Annual Report.</p>
8. Director remuneration should reflect their duties, responsibilities and the value of their time spent.	Yes	<p>The Company's remuneration policy is disclosed within the Annual Report and is reviewed annually.</p>
9. The independent directors should take the lead in the appointment of new directors and the process should be disclosed in the annual report.	Yes	<p>As the Board is comprised wholly of independent non-executive directors, they all participate in the appointment of new directors and the recruitment process. Historically, the services of a recruitment specialist have been engaged to source suitable, available candidates who satisfy the objective criteria set by the Board.</p>
10. Directors should be offered relevant training and induction.	Yes	<p>An induction process is carried out when new directors are appointed to the Board. Directors' training is reviewed annually as part of the board evaluation process.</p>

11. The chairman (and the board) should be brought into the process of structuring a new launch at an early stage.	Yes	This principle will be taken into consideration, as appropriate, for any future launches.
Board meetings and the relationship with the manager		
12. Boards and managers should operate in a supportive, co-operative and open environment.	Yes	The Investment Manager and the Investment Adviser take the initiative on all aspects of operations under the guidance and formal approval of the Board of Directors. The Board meets regularly with the Investment Manager and the Investment Adviser.
13. The primary focus at regular board meetings should be a review of investment performance and associated matters such as gearing, asset allocation, marketing/investor relations, peer group information and industry issues.	Yes	The Investment Manager and Investment Adviser report quarterly to the Board with regard to investment performance, asset allocation and associated matters. The Company's Broker reports to the Board quarterly regarding share price performance and net asset value performance. Reports are also made to the Board quarterly regarding risk management, the Company's share buy back programme and shares held in treasury. The Remuneration and Management Engagement Committee report to the Board annually following the completion of their service provider reviews which consider both performance and cost of service.
14. Boards should give sufficient attention to overall strategy.	Yes	Overall strategy is reviewed at each quarterly Board meeting.
15. The board should regularly review both the performance of, and contractual arrangements with, the manager (or executives of a self-managed company).	Yes	The Remuneration and Management Engagement Committee perform a formal review of the Investment Manager and the Investment Adviser on an annual basis.
16. The board should agree policies with the manager covering key operational issues.	Yes	As disclosed in the Company's Annual Report, the Board has a set of reserved powers which detail areas of decision making that are exclusively reserved for the Board. The duties of the Investment Manager, Investment Adviser and Administrator are clearly defined in their respective agreements.
17. Boards should monitor the level of the share price discount or premium (if any) and, if desirable, take action to reduce it.	Yes	The Board consider share price performance on a quarterly basis and also manage the share price discount by operating a share buy back programme.
18. The board should monitor and evaluate other service	Yes	The Board regularly monitors the performance of key service

providers.		providers. All service providers are formally reviewed annually by the Remuneration and Management Engagement Committee.
Shareholder communications		
19. The board should regularly monitor the shareholder profile of the company and put in place a system for canvassing shareholder views and for communicating the board's views to shareholders.	Yes	The Company's shareholder contact procedure is detailed in the Company's Annual Report and is available on the Company's website. The Company's Broker provides the Board with comprehensive shareholder reports on a quarterly basis.
20. The board should normally take responsibility for, and have a direct involvement in, the content of communications regarding major corporate issues even if the manager is asked to act as spokesman.	Yes	The Board are informed of relevant promotional material that is issued by the Investment Adviser or Investment Manager. The Board reviews and approves all communications made to the market via RNS.
21. The board should ensure that shareholders are provided with sufficient information for them to understand the risk:reward balance to which they are exposed by holding the shares.	Yes	The Company's investment objective and investment policy are disclosed in the Company's Annual Report and are available on the Company's website. The Company's Annual Report also considers the principal risks facing the Company and viability.