

Schedule of matters reserved to the board and, by delegation, its committees

The July 2018 UK Corporate Governance Code and 2019 AIC Code of Corporate Governance principles A, B and C state that:

- A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.
- The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.
- The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.

To assist the board and its committees with respect to verifying it is applying these principles (as applicable to an investment company), the schedule of matters reserved to the board and its committees is been set out below.

Strategy (board)

1. Setting the future strategic direction and corporate activity of the Company.

Investment (board)

2. Setting and monitoring achievement of the Company's investment objectives and policy (as well as compliance with investment restrictions set out in the Company's Alternative Investment Fund Manager Agreement and those otherwise agreed with the board).
3. Establishing borrowing facilities and monitoring appropriate gearing levels.
4. Establishing leverage limits and monitoring leverage levels.

Promotion/corporate structure (board)

5. Approving changes to the Company's corporate structure/domicile.
6. Approving the issue of new securities, including establishing guidelines for ongoing share issues.
7. Approving the purchase of the Company's own shares and the holding of shares in treasury, including establishing guidelines for such purchases.
8. Monitoring and reviewing the Company's shareholder base and marketing and shareholder communication strategies.

Service providers/third party contracts (management engagement committee, board)

9. Appointing and removing the Alternative Investment Fund Manager (the "Manager"), agreeing the Manager's contractual terms and monitoring its performance.

10. Appointing and removing other service providers, agreeing their contractual terms and monitoring their performance.

Governance (including operation of the board, its policies, and legal and regulatory matters) (*board, nomination committee, management engagement committee*)

11. Determining the Company's overall corporate governance arrangements.
12. Undertaking an annual evaluation of the performance of the board, its committees and individual directors.
13. Determining the structure, size and composition of the board and its committees as well as succession planning.
14. Appointing and removing directors.
15. Electing the Chairman of the board and (if appropriate) appointing the senior independent director.
16. Approving role descriptions for candidates for new directors.
17. Determining the Company's policy on director tenure and independence, with regard to and in accordance with the UKLA Listing Rules (including the UK Corporate Governance Code) and other regulations and guidance (including that published by the Association of Investment Companies).
18. Determining the level of directors' remuneration, including any fees payable for membership of committees, within the maximum level permitted by the Company's articles of association.
19. Establishing committees as relevant and determining membership, chairmanship and specific terms of reference for such committees.
20. Approving the Company's policy on directors' dealings in the Company's securities.
21. Authorising actual or potential conflicts of interest where permitted by the Company's Articles of Association.
22. Considering any changes to the Company's listing or its status as a public limited company or investment company.
23. Approving the Company's directors' and officers' liability insurance and individual indemnities.
24. Considering appropriate action to be taken in the event that the Company or its directors face potential litigation or prosecution.
25. Agreeing changes to this schedule of matters reserved to the board and, by delegation, its Committees.

Financial policy, reporting and communications *(audit and risk committee, board)*

26. Approving the Company's half year and annual reports in accordance with applicable laws and accounting standards.
27. Approving the content of communications regarding major corporate events, including circulars to shareholders and announcements to the market.
28. Approving the Company's dividend policy, declaring any interim dividends and recommending any final dividend to shareholders.
29. Approving any material changes to the Company's accounting policies.
30. Appointing, re-appointing or removing the external auditor (subject to shareholder approval as appropriate) and determining the auditor's remuneration.
31. Approving letters of representation to the auditor.

Internal control and risk management *(audit and risk committee)*

32. Establishing and maintaining a sound system of internal control and risk management.

Other matters *(board)*

33. Approving all contracts to be entered into by the Company.
34. Considering any other matter not falling within the powers and authority of the shareholders which the board determines should be reserved for its consideration other than such matters as are delegated to the Manager under the terms of the Alternative Investment Fund Manager Agreement.

Matters which the board considers suitable for delegation are contained in the terms of reference of its committees

The board will, in addition, receive reports and recommendations on any matter that it considers significant for the Company.