

Corporate governance

As a Jersey incorporated Company and under the AIM Rules for companies, it is not a requirement for the Company to comply with the UK Corporate Governance Code published by the Financial Reporting Council (the "FRC Code").

The Company has voluntarily chosen to adopt the principles and recommendations of the Association of Investment Companies ('AIC') Code of Corporate Governance (the 'AIC Code') by reference to the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide"). A framework of best practice for Jersey domiciled Member companies was issued by the AIC in February 2013 and a Statement of Support was given by the Jersey Financial Service Commission ("JFSC") in relation to the adoption of the AIC Code by Jersey domiciled investment companies. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in Section 1 of the FRC Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

On 2 April 2012 the Jersey Financial Services Commission issued Codes of Practice for Certified Funds (the "CF Codes") issued pursuant to the Collective Investment Funds (Jersey) Law 1988. The CF Codes have been prepared and issued for the purpose of establishing sound principles and providing practical guidance in respect of any Jersey certified fund or any Regulation or Order made under it. The Company has carefully considered the eight fundamental principles of the CF Codes and has adopted certain policies in order to comply with the regulation.

The Board considers that it is appropriate to report against the principles and recommendations of the AIC Code by reference to the AIC Guide within this annual report and financial statements and to report against the principles of the CF Codes. The Directors believe that the Company has complied throughout the accounting period, except where noted below. The Board will continue to consider the Company's corporate governance practices, periodically at Board meetings, so as to remain satisfied with the degree of compliance with the principles as set out in the AIC and CF Codes.