



## **Corporate governance**

The Group is committed to maintaining good standards of Corporate Governance. As an AIM quoted company, compliance with the Finance Reporting Council's UK Corporate Governance Code ("the Code") is not mandatory.

However, the Board seeks to comply with the principles of the Code in so far as appropriate to the Group's size and complexity.

### *Directors*

The Board of Directors ("the Board") has overall responsibility for the Group. The Board consists of a Non-Executive Chairman, four Non-Executive Directors and the Chief Executive. There is a clear division of responsibilities between the Chairman and Chief Executive.

The Board has appointed one of the Non-Executive Directors (Peter Gibbs) to act as the Senior Independent Director. The Board considers that three of the Non-Executive Directors (Peter Gibbs, Mark White and Vince O'Brien) are independent as envisaged by the Code. Guy de Froment is not considered to be independent as he represents a significant shareholder. The Chairman is also not considered to be independent due to his significant shareholding and past service to the Group.

The Non-Executive Directors and Chairman all have or have had senior executive experience and offer insightful judgement on Board matters. The Non-Executive Directors do not participate in any bonus schemes or share ownership schemes and their appointments are non-pensionable.

There is a rigorous procedure to appoint new Directors to the Board which is led by the Chairman.

All Directors are subject to reappointment by shareholders at the first opportunity after their appointment and thereafter at intervals of no more than three years.

### *Internal control*

The Board has overall responsibility for the Group's system of internal controls including financial, operational, compliance and risk management controls. The Group's fund management activities are regulated by the Financial Services Authority and the Board has adopted procedures and controls designed to ensure its obligations are met.

### *Audit Committee*

The Audit Committee is comprised of the following Non-Executive Directors: Mark White (Chairman), Peter Gibbs, Guy de Froment and Vince O'Brien.

The Audit Committee meets at least three times a year and more frequently as and when appropriate. The Audit Committee's responsibilities include:

- the implementation of new accounting standards and policies;
- monitoring the integrity of the financial statements and formal announcements relating to the Company's and Group's financial performance;
- monitoring of the internal financial control procedures;
- making recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors;



- reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process; and
- ensuring the objectivity and independence of the external auditors by acting as primary contact with the external auditors, meeting the external auditors without the presence of management where considered necessary and receiving all reports directly from the external auditors.

#### *Dialogue with institutional shareholders*

The Company reports formally to shareholders twice a year, when its half-year and full-year results are announced and an Interim Statement and Annual Report are sent to shareholders. The Annual Report includes notice of the Annual General Meeting of the Company at which a presentation is given and Directors are available to take questions, both formally during the meeting and informally after the meeting. The Chairman, Chief Executive and Senior Independent Director are available for dialogue with major shareholders on the Company's plans and objectives and from time to time will meet with them.

#### *Remuneration Committee*

The Remuneration Committee is comprised of the four Non-Executive Directors: Peter Gibbs (Chairman), Mark White, Guy de Froment and Vince O'Brien. The Remuneration Committee meets at least four times each year and more frequently as and when appropriate.

The purpose of the Remuneration Committee is to ensure that the Chief Executive and other senior employees are fairly rewarded for their individual contribution to the overall performance of the Group and will respond to this requirement in the way that meets the best interest of shareholders.