

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

Dear Shareholders

Since March 2018, in compliance with the change in the AIM Rules for Companies, the Company has adopted the Quoted Companies Alliance (“QCA”) 2018 Corporate Governance Code as it believes it to be a well-established corporate governance framework grounded in international best practices which is appropriate for the Company given its size and Investment Policy.

The QCA 2018 Corporate Governance Code sets out ten principles of corporate governance:

Companies need to deliver growth in long-term shareholder value. This requires an efficient, effective and dynamic management framework and should be accompanied by good communication which helps to promote confidence and trust.

Deliver growth

1. Establish a strategy and business model which promotes long-term value for shareholders
2. Seek to understand and meet shareholder needs and expectations
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

Maintain a dynamic management framework

5. Maintain the board as a well-functioning, balanced team led by the Chairman
6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement
8. Promote a corporate culture that is based on ethical values and behaviours
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

Build trust

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

I address each of the QCA 2018 Corporate Governance Code's ten principles of corporate governance in turn below.

1. Establish a strategy and business model which promote long-term value for shareholders

At the Company's Annual General Meeting (AGM) held at The British Club, Yangon, Myanmar on 24 October 2019 the shareholders approved a resolution to amend the investment objective and policies of the Company as set out below:

“The Company will seek to realise the Company's investments in an orderly manner, such realisations to be effected at such times, on such terms and in such manner as the Directors (in their absolute discretion) may determine.

Following such realisations, the Company will make periodic returns of surplus capital to Shareholders on such terms and in such manner as the Directors (in their absolute discretion) may determine.

The Company shall not make any new investments in projects to which it is not already committed. However, this will not preclude the Directors (in their absolute discretion) from: (a) authorising the expenditure of such capital as is necessary to: (i) complete arrangements pertaining to the Company's existing investments; or (ii) carry out any activities that the Directors (in their absolute discretion) deem appropriate to ensure the sale ability of any existing investment; or (b) entering into any contract or other arrangement with any third party to realise all or any part of the Company's existing investments.

Following the disposal of all of the Company's existing investments, the Directors intend to put a winding up proposal to the Shareholders."

The Company's strategy until 24 October 2019 was to establish a business development and investment platform that seeks to make sensible investments in Myanmar, to capitalise on the growth opportunities there.

In essence the Company was seeking to make capital gains and/or derive income from investments in Myanmar.

The key challenges were those that derive from:

- Operating in a frontier economy, including the attendant higher operating expenses and relatively limited pool of experienced executives and network of professional advisers; and
- Sourcing, making, managing and realising investments.

The Board sought to manage the risks inherent in this strategy by:

- Recruiting high calibre and experienced professionals and providing them with meaningful incentives that are aligned to the interests of shareholders. Due to the Shareholders' resolution on 24. October 2019 the Company is not hiring any new staff;
- Maintaining and developing an active presence on the ground in Yangon. Due to the Shareholders' resolution on 24. October 2019 the Company closed its office in Yangon on 31 March 2020;
- Maintaining and developing a network of Myanmar contacts to assist in investment sourcing, execution and realisation as well as maintaining a strong "finger on the pulse" of developments in the country;
- Conducting robust due diligence on investment opportunities and negotiating minority protections where applicable. Due to the Shareholders' resolution on 24. October 2019 no new investments will be made;
- Maintaining a rigorous monitoring process of both the executive staff and the investee companies;
- Ensuring an on-going programme of staff training on investing, changing rules and regulations in Myanmar and business ethics. Due to the Shareholders' resolution on 24. October 2019 all staff was laid-off as of 31 March 2020; and
- Proactively looking for opportunities to add value to each of the investee companies. Due to the Shareholders' resolution on 24. October 2019 the Company will seek to realise the Company's investments in an orderly manner.

The section on “Risk Factors” on page 54 of the Company’s Admission Document which can be found on the Company’s website should also be read.

2. Seek to understand and meet shareholder needs and expectations

The Company was established for a very specific purpose and this purpose has been clearly communicated to potential shareholders, initially through the Admission Document, a copy of which is on the Company’s website. In addition, the Company’s website, in compliance with AIM Rule 26, contains a detailed description of the Company and its business.

Since Admission, the Board has sought to maintain an open dialogue with the Company’s shareholders through:

- its Annual General meeting;
- the Regulatory News Service (“RNS”) system of the London Stock Exchange;
- periodic mailing and press releases;
- its website myanmarinvestments.com;
- meetings with shareholders in the major financial cities in which its shareholders are based;
- the Company’s investor forums which have been held in Yangon; and
- maintaining an active social media communications platform through LinkedIn (over 1,500 followers), Twitter (over 2,000 followers) and Facebook (over 5,000 followers). Due to the Shareholders’ resolution on 24. October 2019, the Company has now terminated its social media presence.

In addition, the Company responds promptly to any requests for information from shareholders and potential investors, within the limits of ensuring that unpublished price sensitive information is disclosed only via the appropriate regulatory channels.

The Company believes it has been successful in maintaining an open and transparent dialogue with its shareholders, especially given its relatively small size and limited personnel.

In terms of communication, shareholders and potential investors can use the dedicated email address enquiries@myanmarinvestments.com or directly contact Michael Rudolf, the CFO on michaelrudolf@myanmarinvestments.com.

or

Henrik Bodenstab (Chairman)	henrik@bodenstab.de
Aung Htun (Deputy Chairman)	aughtun@myanmarinvestments.com
Nick Paris (Managing Director)	nickparis@myanmarinvestments.com

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board sought to take into account the views of other stakeholders, other than the shareholders, in the execution of the Company’s Investment Policy.

Other stakeholders that the Board sought to engage with include:

- Employees – the Company sought to provide a rewarding career for its staff in a caring and encouraging environment that enables each individual to maximise their potential. As illustrations of this, but by no means an exhaustive summary:

- the Company provided extensive training for its staff, including on the job training that was supplemented by more formal training courses that are run in-house or by external trainers, including on-line training schemes;
- the Company considered itself to be ‘gender blind’ in its approach to its employees: it did not take gender into account when recruiting, promoting, training or remunerating its employees. There has never been an instance of a gender pay gap in its remuneration of its staff; and
- all new joiners were required to confirm they are familiar with the Employee Handbook, including the sections on:
 - non-discrimination (*“employees are not to engage in any practice or behaviour which discriminates against another person on the grounds of their age, sex, race, religion or physical attributes. Similarly, the Company will not tolerate aggressive or bullying behaviour within the workplace”*); and
 - ethics, including understanding the Company’s policy on bribery, confidentiality and its Share Dealing Code.
- Partners – the Company sought to be a reliable and supportive business partner to each of its co-investors, looking to add value wherever possible and to work together to maximise the value of each business. In this context ‘value’ may not just be financial value but also the value that the businesses bring to their own employees, sub-contractors, customers and local communities. For example, working with our joint venture partners to ensure that the lending practices of MFIL adhere to the highest ethical standards, or working with Apollo Towers to ensure that child labour is not used by any of its sub-contractors.
- Community – the Company’s three investments all have significant positive benefits for the communities in which they operate:
 - AP Towers provides essential infrastructure on which the country’s telecommunication network depends. Myanmar people can now readily communicate and access information and this not only brings education and enrichment to their lives but also supports their and the country’s economic advancement;
 - MFIL provides much needed access to financing for people wishing to start and develop their simple micro-businesses. This is an area that Myanmar, like many emerging economies, desperately needs (the Company is in the process of selling this investment); and
 - Medicare aims at providing a wider range of international and authentic brands of health and beauty products to its customers. Every Medicare store adheres to Good Pharmacy Practice to contribute to health improvement and to help customers with health problems make the best use of genuine, high quality and affordable medicines. The Company sold this investment for US\$ 1 million in December 2019.
- Society – where appropriate the Company has supported local charitable causes. During the devastating floods of 2015 it donated to the Red Cross to assist in its effort in alleviating the damage done by the storms. Our 2018 calendar featured a different local charity each month. The Company made a modest donation to each and provided the contact details so that others might be able to also support them if they felt so moved.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board is responsible for managing the risks inherent in the Company’s strategy and the implementation of that strategy.

To ensure that appropriate resources are focussed on the key risk areas the Board maintains the Audit Committee whose members comprise of independent Directors.

Investment Committee

During the financial period under review the following served on the Investment Committee: Craig Martin (until 31 October 2019), Henrik Bodenstab (who became Chairman from 1 June 2018), Aung Htun, Michael Dean (until 31 October 2019) and Rudolf Gildemeister (from 1 November 2019). On 10 November 2020, the Board of Directors dissolved this committee in order to streamline operations and now reviews the investments directly.

During the period under review there were 26 meetings of the Investment Committee and all members of the committee attended all of the meetings.

The Investment Committee was the principal manager of the Company's exposure to risk that might arise from within the Company's core investing activities. The Investment Committee had responsibility for, amongst other things, establishing the investment policy, guiding management in the execution of this policy, monitoring the deal flow and investments in progress, supervising the management team's handling of investments and planning the realisation of investments. During the period under review, the Investment Committee carried out regular evaluations of each of the investments. The Investment Committee made recommendations to the Board regarding making investments and was responsible for computing the Company's net asset value for the Board's consideration.

Audit Committee

During the financial period under review the following served on the Audit Committee: Craig Martin (until 31 October 2019), William Knight (who was Chairman until 18 August 2020), Henrik Bodenstab, Nicholas Paris (until 31 October 2019) and Rudolf Gildemeister (from 1 November 2019 and who became Chairman from 18 August 2020).

During the period under review there were two meetings of the Audit Committee and all members of the committee attended all of the meetings.

The Audit Committee has responsibility for, amongst other things, the planning and review of the Company's annual report and accounts and half-yearly reports and the involvement of the Company's auditors in that process. The Audit Committee also has oversight of the Company's cash flow projections. The committee focuses in particular on compliance with legal requirements, accounting standards and on ensuring that an effective system of internal financial control is maintained over the Group's underlying assets and liabilities as well as the books and records. The ultimate responsibility for reviewing and approval of the annual report and accounts and the half-yearly reports remains with the Board.

The Audit Committee also advises the Board on the appointment of the external Auditors, reviews their fees and the audit plan. It approves the external Auditors' terms of engagement, their remuneration and any non-audit work.

The Audit Committee also meets the Group's auditors and reviews reports from the Auditors relating to accounts and internal control systems. The Audit Committee meets with the Auditors as and when the Audit Committee requires and, in conformity with good practice, meets the Auditors without the presence of the executive directors.

Auditor objectivity and independence is safeguarded through limiting non-audit services to tax work.

Share Dealing

The Company has adopted a share dealing code to comply with the EU Market Abuse Regulation (“**MAR**”) that is consistent with the obligations set out in Rule 21 of the AIM Rules for Companies relating to directors’ dealings in ordinary shares and warrants. The revised share dealing code was approved by the Board on 3 July 2016. The Company takes all reasonable steps to ensure compliance by the Directors and the Group’s applicable employees.

The Takeover Code

As the Company was incorporated in the BVI, it is not treated as being resident in the UK, the Channel Islands or the Isle of Man by the UK Panel on Takeovers and Mergers and therefore it is not subject to the UK Takeover Code. However, the Company has incorporated certain provisions into its articles of association which are broadly similar to those of Rules 4, 5, 6 and 9 of the Takeover Code. It should however be noted that, as the Takeover Panel will have no role in the interpretation of these provisions, shareholders will not necessarily be afforded the same level of protection as is available to a company subject to the Takeover Code which now has the effect of law for those companies within its jurisdiction. Additionally, the Directors have the right to waive the application of these provisions.

*Financial Action Task Force (“**FATF**”)*

The Company’s operations manual is drafted to ensure the policies and procedures associated with its operations and investments are compliant with FATF requirements.

On 24 June 2016 Myanmar was recognised by the FATF as having made significant progress in addressing its strategic anti-money laundering/counter terrorist financing deficiencies earlier identified by the FATF and included in its action plan. As a result, Myanmar was no longer subject to monitoring by the FATF.

In September 2018 Myanmar completed its MER (mutual evaluation report). Since then Myanmar has proactively made progress on a number of its MER recommended actions to improve technical compliance and effectiveness.

On 21 February 2020, the FATF put Myanmar on its list of jurisdictions under increased monitoring (grey list). Myanmar made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime.

5. Maintain the board as a well-functioning, balanced team led by the Chairman

The Board seeks to ensure that it is comprised of a well-balanced mix of professionals whose individual skill sets and extensive experiences complement each other to ensure that the Board has the requisite resources to enable the Company to achieve its strategic goals. If resources permitted, the Board would consider the inclusion of other members with diverse backgrounds to provide a broader range of skill sets, perspectives and experiences.

The Board is responsible for setting Company strategy and then ensuring that the Company has the requisite wherewithal to achieve that strategy.

Out of a total of four directors, the Board comprises of one executive director (Nick Paris as the Managing Director), one non-executive non-independent director (Aung Htun) and two non-executive independent directors (Henrik Bodenstab and Rudolf Gildemeister). There is a clear separation of the roles of the Managing Director and the Chairman.

The Board meets regularly and is provided with timely updates and information from the Executive Director. As and when there are urgent commercial or other corporate matters, Board meetings are convened to seek guidance from the Board or to elicit a decision. All Directors are expected to act in good faith and to act in the interests of the Company.

The Chairman oversees the agenda for all Board meetings liaising closely with the executive and non-executive directors. The same applies for the meetings of the various committees outlined below and their respective chairmen. The Chairman is specifically responsible for the Chairman's Report and the Chairman's Statement on Corporate Governance in the Annual Report, and answerable to the shareholders on behalf of the Board for them. The Chairman is ultimately responsible to shareholders for the ethos, and oversight of good practice, of the executive management.

The Board was supported by the Investment Committee, the Audit Committee, the Remuneration Committee and the Nomination and Corporate Governance Committee until 10 November 2020 when all bar the Audit Committee were dissolved by the Board in order to streamline operations. Since Admission, these committees have been established with clear terms of reference and they regularly reviewed matters within their purview.

The Directors have access to the Company's nominated adviser ("**Nomad**"), broker, legal advisers, auditor, company secretary and, should it prove necessary in the furtherance of their duties, to independent professional advice at the expense of the Group.

Unless there is an unexpected event, Board and committee meetings are scheduled well in advance at a time and place that will enable the Directors to participate. All members of the Board are expected to attend each Board meeting and to arrange their schedules accordingly, although non-attendance is occasionally unavoidable.

An agenda and supporting papers are circulated to the Board and the relevant committees well in advance of the meeting. Directors may request any agenda items be added that they consider appropriate for Board discussion. Additionally, each Director is required to inform the Board of any potential or actual conflicts of interest prior to Board discussion.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

Number of meetings and Directors' attendance

During the year under review there were 6 Board meetings and all directors attended all of them.

During the year under review there were appropriately timed meetings of each of the sub-committees: the Investment Committee held 26 meetings; the Audit Committee held two meetings; the Remuneration Committee held four meetings; and the Nomination and Corporate Governance Committee ("**NCGC**") held one meeting. All the members of the various committees attended all of their respective meetings.

6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The following is a summary of the relevant experiences, skills and personal qualities and capabilities that each director brings to the Board. It should be read in conjunction with their biographies above.

Maung Aung Htun, *Non-Independent Deputy Chairman*

Mr Htun has worked in Thailand for over 30 years during which time he founded, and was Managing Director of, Seamico Securities, a leading investment banking and broking company which went public in 1995. He has also led, or is an investment committee member of, various Thai focussed private equity investment operations which have exposed him to a variety of industrial sectors. In these roles he has built up a wide network of senior corporate executives, entrepreneurs and investor contacts, many of which have shown interest in Myanmar.

Mr Htun has a long experience of involvement in governance and management of publicly listed companies. In addition to Seamico Securities, he founded and was on the board of Siam Selective Growth Trust Plc. (a London Stock exchange listed investment trust managed by Seamico) and has sat on the boards of various Stock Exchange of Thailand listed companies as a non-executive director as well as an audit committee member.

In addition to commercial interests in Myanmar he has been appointed by Myanmar's State Counsellor to the committee to review the restructuring of the Yangon Electricity Supply Company.

Through these various roles Aung Htun brings financial, governance, management and investment experience as well as a wide network of relationships in both Myanmar and Thailand which is a key investor in, and trading partner of, Myanmar.

He attends seminars and training courses in both Bangkok and Yangon on pertinent subjects.

Henrik Onne Bodenstab, *Independent Non-Executive Chairman*

Mr Bodenstab has over 25 years of relevant professional experiences which he brings to the Company in his role as an Independent Non-executive Chairman.

During his tenure at the Boston Consulting Group Mr Bodenstab had extensive engagements in various industries, which covered broad strategic, as well as operational challenges. This allowed him to gain very relevant experiences in effectively and systematically approaching new industries and companies.

After his time as a consultant Mr Bodenstab worked in executive operational roles both in companies he founded as well as larger established entities. During this time Mr Bodenstab gained expertise in many of the industries that Myanmar Investments is actively engaged in. He also worked extensively throughout Asia gaining first-hand experiences of the challenges and opportunities of newly developing markets.

Since 2014 Mr Bodenstab has been a partner in a private equity company. He has had extensive experience both of executing a number of investments for the funds it manages and of being engaged in multiple processes on the buy and sell side. This has equipped Mr Bodenstab to provide in-depth advice on the due-diligence processes, financing and funding rounds, development of investments to maximise returns for shareholders, as well as the development of corporate governance protocols appropriate for an institutional investor.

Overall Mr Bodenstab brings many years of expertise in strategic, operational and financial matters which are of great benefit to the Company.

After Mr Knight's retirement as a Director and Chairman on 18 August 2020 the Board of Directors elected Mr Bodenstab to be the new Chairman of the Company.

Nicholas John Paris, *Managing Director*

Mr Paris has specialised in the launch and ongoing trading of closed end Investment funds since he joined Baring Securities in 1994 and throughout his career on the sell-side and the buy-side of the investment markets and he has had a particular focus on funds that were invested in Asia. Also, throughout his career he has focussed on the corporate governance rights of shareholders in closed end funds and both of these skill sets are of relevance to the Company and its shareholders as it navigates the winding down of its portfolio and ultimately of the Company.

In addition, he is a Portfolio Manager within the LIM Advisors Group one of whose clients is a substantial shareholder in the Company having invested at the Company's launch and which is also a co-investor in AP Towers through its shareholding in the Company's subsidiary, MIL4.

Mr Paris is also a Chartered Accountant in England and Wales and a Chartered Alternative Investment Analyst and is able to apply the skills and knowledge gained from these qualifications for the benefit of the Company.

Mr Paris changed his role from Non-independent Non-executive Director to become the Managing Director of the Company on 1 November 2019.

Rudolf Gildemeister, *Independent Non-executive Director*

Mr Gildemeister was appointed to the Board of Directors on 1 November 2019 and is co-founder and Managing Partner of All Myanmar Advisors, a Myanmar focused corporate finance and strategy advisory boutique.

He has over 20 years' leadership experience in successfully building, growing and restructuring businesses across industries, mostly in Asia. Before working in Myanmar, he was Managing Director and Asia-Pacific lead of CS Solution Partners for Credit Suisse, based in Hong Kong. He started his career at Nestlé where he held various brand management and business development functions in Hong Kong and South-East Asia, which included establishing Nestlé's sales and marketing activities in Myanmar.

Mr Gildemeister is on the Harvard Business School Global Advisory Board and a Director of several private companies in Hong Kong and Myanmar. He holds a BSc in Economics from Bristol University and an MBA from the Harvard Business School.

Collectively the Board believes it has the necessary skill sets to discharge its responsibilities.

The Board draws on specialist legal advice in the UK, Singapore and Myanmar if the need arises and can bring in specialist due diligence advisers when assessing the risks inherent in a given investment situation. These might cover commercial, financial or legal due diligence as well as seeking advice on such matters as insurance or IT aspects.

The Remuneration Committee (until 10 November 2020) has retained the services of external advisers to assist it in the formulation of compensation arrangements for the Executive Directors.

The NCGC (until 10 November 2020) has retained the services of external advisers to assist it in establishing protocols to ensure that the Company's business is conducted so as to comply with the FATF requirements.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Since Admission, the Board has sought to ensure that the Board itself was “fit for purpose” and at the same time has adhered to a level of corporate governance appropriate for a London-listed company operating in an emerging economy.

Nomination and Corporate Governance Committee

As such it established the Nomination and Corporate Governance Committee (“**NCGC**”) and set down detailed terms of reference for the NCGC.

During the financial year under review the following served on the NCGC: Henrik Bodenstab (who became Chairman from 1 November 2018), William Knight (until 18 August 2020), Aung Htun and Craig Martin (until 31 October 2019). On 10 November 2020, this committee was dissolved by the Board to streamline operations.

During the year under review, there was one meeting of the NCGC and all members of the committee attended the meeting.

The NCGC was responsible for assessing the performance of the Board and the various committees and also considering new or replacement appointments to the Board or senior management. This committee is also responsible for ensuring the Company’s compliance with the AIM Rules for Companies as well as other relevant corporate governance standards.

The NCGC annually formally assessed the effectiveness of the Board, the balance of skills represented and the composition and performance of its various committees.

The assessment of each individual board member included attendance at meetings, preparation for each meeting, co-operation with the other Directors, effectiveness, their ability to follow up on a timely basis, their contact with shareholders, and, where relevant, their effectiveness as a committee chairman. To date none of the Board members has been found wanting and each has been elected to the position of Director by the Shareholders in general meeting.

The assessment of each committee includes regularity of meetings, effectiveness of the committee in meeting its terms of reference, knowledge of the subject matter, agenda making, minutes taken and the committee’s chairman’s effectiveness. To date none of the committees has been found wanting.

The assessments of the individual board members and the committees are conducted in private with the individual assessments all being sent to the chairman of the NCGC who in turn reports the overall results to the board. The results have been fairly constant each year and at no time have indicated any areas of serious concern.

The Chairman of the Board has affirmed that the Board is adequately staffed to discharge its duties and each of the Committee Chairmen had confirmed that their Committees are adequately staffed to discharge their duties. The NCGC confirmed that the Board has an appropriate balance of skills and experience in relation to the activities of the Group.

When considering the appointment and reappointment of Directors, the NCGC and the Board considered whether the Board and its committees have the appropriate balance of skills, experience, independence, knowledge and diversity to enable them to discharge their respective duties and responsibilities effectively.

The NCGC also established guidelines to determine, on an annual basis, the independence of each of the Directors. This requires a statement by each Director to affirm that there are no situations that could compromise their independence. Each other director then also has to affirm that they believe that Director to be independent. The process is repeated for all the three independent directors. To date all independent directors have been affirmed as being independent.

As of the date of this report the Board consists of four Directors. Shareholders vote on the re-appointment of at least one Director at each Annual General Meeting, with every Director's appointment being voted on by shareholders every three years.

During the year under review the NCGC ensured that all new employees received appropriate training and the employment handbook, which includes adequate explanation on such topics as share dealing, anti-bribery legislation, anti-money laundering and whistle blowing.

The NCGC had direct access to the Company's Nomad and, in conformity with good practice, non-executive members of the committee periodically met with the Nomad without the presence of the executive directors during the year under review.

The Board has direct access to the Company's statutory auditor and, in conformity with good practice, the members of the Audit Committee meet with the statutory auditor, at least once without the presence of the executive directors.

8. Promote a corporate culture that is based on ethical values and behaviours

The Company's corporate culture is a blend of its vision, its values, its people and its practices.

Our vision was to build a diversified but focused stable of businesses that will benefit from Myanmar's emergence.

Our values are established by the Board and in particular the Executive Director. These are conveyed to our staff and other the stakeholders through our business practices.

As noted above, the Company sets great store by ensuring that not only are its own operations conducted ethically but also the businesses of its investee companies must be run on similar lines.

In this regard the evaluation of both our staff and our investee companies includes an assessment of ethical behaviour. Any new investment opportunity is subject to our own proprietary "Business Integrity" assessment before we will proceed with it.

The Board ensures that during the year it interacts with all of our staff and all of our business partners to ensure that there is a consistency in their feedback on the values and corporate culture that we aspire to.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Board is responsible for managing the Company in pursuing its clearly stated strategy.

The day-to-day running of the Company is the responsibility of the Executive Director who is well versed in making investments of the type required by the Company's strategy as well as the responsibilities of a listed company.

The Managing Director in particular is responsible for the overall control and management of the Group, the development and implementation of the Group's investing and business strategies, for directing the Group's investment activities so as to achieve its strategic objectives, management of shareholder relations, and responsibility for planning and execution of fundraising activities.

He is also responsible for the overall control and management of the finance and accounting functions of the Group, including the development of adequate internal controls, the maintenance of the Group's HR and IT systems, and for compliance with the Company's obligations as a BVI company and an AIM listed company. He is supported regarding these tasks by the CFO.

In discharging this responsibility, the Board had established sub-committees to focus on key areas of risk management and good corporate governance. The work and terms of reference of the Audit Committee and the Investment Committee are described in Section 4 above and similarly the terms of reference of the NCGC is described in Section 7 above.

Remuneration Committee

During the financial year under review the following served on the Remuneration Committee: William Knight (who was Chairman until 18 August 2020), Henrik Bodenstab, Nicholas Paris (until 31. October 2019) and Rudolf Gildemeister (from 1 November 2019).

During the year under review there were four meetings of the Remuneration Committee and all members of the committee attended all of the meetings.

The Remuneration Committee was responsible for establishing a formal and transparent procedure for developing policy on executive remuneration and to set the remuneration packages of individual Directors. This included agreeing with the Board the framework for remuneration of the Managing Director and such other members of the executive management of the Company as it is designated to consider. This included the administration of the Share Option Plan and the Carried Interest Plan and the allocation of the benefits from those schemes amongst the Board and management team. It was also responsible for determining the total individual remuneration packages of each Director including, where appropriate, bonuses, incentive payments and allocation of share options and Carried Interest Plan points. No Director plays a part in any decision about his own remuneration.

The Directors' Report on Remuneration Issues (after the Remuneration Committee was dissolved on 10 November 2020) for the year is included within this Annual Report.

Given the fact that the Board consists of only 4 members after the retirement of William Knight, the Board decided on 10 November 2020 to dissolve the Investment Committee, the Nomination and Corporate Governance Committee and the Remuneration Committee. The tasks of these committees will be handled directly by the Board from 10 November 2020 onwards.

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

During the year under review, the Company has been applying the QCA Corporate Governance Code. There were no instances where there was a breach or a departure from the principles of the QCA Corporate Governance Code.

It is my belief that this report, taken together with the rest of the Annual Report, should provide the reader with a clear understanding of:

- the Company's strategy;

- the inherent risks in executing that strategy;
- the risk management processes taken to minimise risks and maximise returns;
- the allocation of duties between the Board, its sub-committee and the Executive Director;
- our efforts to conduct an open dialogue with our shareholders;
- the engagement of the Company with other stakeholders; and
- the promotion and preservation of our Corporate culture.

Should anyone have any further questions or suggestions on how we might reasonably improve our performance in this regard then I would heartily encourage them to contact either myself (henrik@bodenstab.de) or the Executive Director at his email address listed above in Section 2.

Yours faithfully

Henrik Bodenstab

Chairman of the Board

27 November 2020