



The Deloitte Academy

Corporate governance disclosure
checklist for closed-ended
investment companies

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Corporate Governance Disclosure Checklist

Corporate governance, broadly speaking, is the framework by which entities are directed and controlled. It aims to align the goals and actions of a company's board, management, and stakeholders in order to achieve sustainable success over the longer term.

The UK Corporate Governance system is complex, involving many different sets of requirements, which cover behaviours of company leadership and administrative matters as well as reporting requirements. This checklist sets out the reporting requirements impacting the annual report. Other requirements which do not impact on annual reporting, or which impact other written communications outside the annual report, have not been included.

This checklist is based on:

- (i) the UK Listing Rules (UKLR);
- (ii) the Disclosure Guidance and Transparency Rules (DTR) on audit committees and corporate governance statements;
- (iii) the 2024 version of the AIC Corporate Governance Code issued by the Association of Investment Companies (the AIC Code);
- (iv) the FRC's online Corporate Governance Code Guidance (as at February 2026) (the Guidance);
- (v) The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014; and
- (vi) Audit Committees and the External Audit: Minimum Standard (the Minimum Standard).

The UK Listing Rules

The UK Listing Rules requiring UK Corporate Governance Code disclosures apply only to companies with equity securities listed in the commercial companies or closed-ended investment fund categories i.e. not those with only debt securities, convertibles or preference shares listed, nor those with equity securities listed in other categories, such as the transition category. All companies with equity securities listed in the commercial companies or closed-ended investment fund categories, regardless of where they are incorporated, are required to apply the UK Listing Rules relating to corporate governance. In accordance with UKLR 11.4.1R, a closed-ended investment fund must comply with all of the requirements of UKLR 6, which are the continuing obligations, including disclosure requirements in the annual report.

The UK Listing Rules contain references to the UK Corporate Governance Code. This refers to the UK Corporate Governance Code published in January 2024 by the Financial Reporting Council (the FRC), available at <https://www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code>. For closed-ended investment funds that are members of AIC, the FRC has confirmed that reporting against the AIC Corporate Governance Code will meet their obligations in relation to the Code. This endorsement means that AIC member companies may also make a statement that, by reporting effectively against the AIC Code they are meeting their obligations under the Code (and associated disclosure requirements under the UK Listing Rules) and as such are not required to report further on issues contained in the UK Code, unless they wish to do so on a voluntary basis.

The UK Listing Rules also require diversity disclosures. These apply to companies with securities listed in the commercial companies, closed-ended investment fund, international secondary listings, non-equity shares and non-voting equity shares and transition categories.

The Disclosure Guidance and Transparency Rules on audit committees and corporate governance statements (DTR 7)

DTR 7 implements parts of the Audit Directive, the Fourth and Seventh Company Law Directives, the Non-Financial Reporting Directive and part of the Shareholder Rights Directive into UK law. The rules apply to issuers whose transferable securities¹ are admitted to trading on a UK regulated market (in any listing category). It should be noted that there is no 'comply or explain' element to these requirements – compliance is mandatory or FCA sanctions and penalties may apply. Despite this, there is some overlap between the requirements of DTR 7 and of the UK Corporate Governance Code or the AIC Code.

DTR 7.1 applies to an issuer whose transferable securities are admitted to trading on a UK regulated market and which is required to appoint a statutory auditor (and as such does not apply to overseas issuers). It does not apply to: [DTR 1B.1.3R]

- (1) any issuer which is a subsidiary undertaking of a parent undertaking where the parent undertaking is itself subject to DTR 7.1 and articles 11(1), 11(2) and 16(5) of the Audit Regulation. Note that the Audit Regulation is incorporated into UK law as direct retained EU law under the European Union Withdrawal Act 2018;
- (2) any issuer the sole business of which is to act as the issuer of asset-backed securities provided the entity makes a statement available to the public setting out the reasons for which it considers it is not appropriate to have either an audit committee or an administrative or supervisory body entrusted to carry out the functions of an audit committee;
- (3) a credit institution whose shares are not admitted to trading and which has, in a continuous or repeated manner, issued only debt securities provided that:
 - (a) the total nominal amount of all such debt securities remains below 100,000,000 Euros (references to Euros are not changed post IP completion day); and
 - (b) the credit institution has not been subject to a requirement to publish a prospectus in accordance with Article 3 of the Prospectus Regulation (which is incorporated into UK law as direct retained EU law under the European Union Withdrawal Act 2018); or
- (4) UK undertakings for collective investment in transferable securities established in accordance with the UCITS Directive or an alternative investment fund.

Only the exemption for issuers of asset-backed securities requires an explanation of why no audit committee is required. However, it may also be helpful for companies availing themselves of a different exemption to provide an explanation. Example wording is provided on page 3.

Companies within the scope of DTR 7.1 are required to have a 'body or bodies' [DTR 7.1.1R] to be responsible, as a minimum, for: [DTR 7.1.3R]

- monitoring the financial reporting process and submitting recommendations or proposals to ensure its integrity;
- monitoring the effectiveness of the company's internal control and risk management systems, and internal audit where applicable, with regard to financial reporting;
- monitoring the performance of the statutory audit of the annual and consolidated accounts, taking into account any findings and conclusions by the FRC;
- reviewing and monitoring the independence of the statutory auditor, and in particular the appropriateness of the provision of non-audit services to the company;
- informing the board of the outcome of the statutory audit, explaining how the statutory audit contributed to the integrity of financial reporting and the role of the audit committee or other 'body or bodies' that has taken on that function in the process; and
- being responsible for the procedure for the selection of the statutory auditor and recommending the statutory auditor to be appointed.

¹ Transferable securities include equity, debt and certificates representing securities (i.e. depositary receipts).

DTR 7.2 applies to an issuer who is required to publish a corporate governance statement. This captures:

- (1) all UK companies whose transferable securities (which would include equity, debt and certificates representing securities (i.e. depositary receipts)) are traded on a UK regulated market [DTR 1B.1.5R];
- (2) as noted in DTR 1B.1.5AG, overseas incorporated companies with securities listed in the following listing categories: commercial companies and closed-ended investment funds [UKLR 6.6.18R], shell companies and SPACs [UKLR 13.3.24R], international secondary listings [UKLR 14.3.21R], non-equity shares and non-voting equity shares [UKLR 16.3.20R], transition [UKLR 22.2.21R], and those with depositary receipts representing equity shares [UKLR 15.3.1R(3) which in turn applies UKLR 14.3.24R]; and
- (3) overseas incorporated companies with equity listed in the open-ended investment funds category. [UKLR 12.3.8R].

Companies with only debt securities admitted to trading need only apply the internal control and risk management related disclosure requirements; they do not need to apply DTR 7.2.2R, 7.2.3R, 7.2.7R and 7.2.8AR. However, this exemption does not apply if the company also has shares traded on a UK multilateral trading facility (which would include the AIM and AQSE Exchange Growth Market companies). [DTR 1B.1.6R]

The DTR 7.2 requirements do not extend to overseas companies with only listed debt securities.

UKLR 6.6.18R states that an overseas company with a listing in the commercial companies category must comply with DTR 7.2 as if it were an issuer to which that section applies. This requirement will also apply to closed-ended investment companies in line with UKLR 11.4.1R and II.4.2R. Such a company which complies with UKLR 6.6.17R (i.e. by including the information in UKLR 6.6.6R(5) to (11)) will satisfy the requirements of DTR 7.2.2R and DTR 7.2.3R.

Companies that qualify as small or medium sized under company law or would qualify as this size if they were a UK company are exempt from the requirement to provide the diversity disclosures in DTR 7.2.8AR. [DTR 1B.1.7R and DTR 1B.1.8].

We recommend that, if the company avails itself of an exemption, the following style of wording, adapted as appropriate, should be included in the annual report to avoid possible criticisms from those reviewing and commenting on the document.

“As the [company has debt traded on the Professional Securities Market, which is not a regulated market for the purposes of the MiFID II Directive and other EU-derived domestic legislation], it has availed itself of an exemption from the Financial Conduct Authority’s requirement to [provide a corporate governance statement].” (To be modified as appropriate.)

In the situation where a company is eligible for such an exemption, but the directors decide to provide all corporate governance disclosures in any case, we would recommend the inclusion of the following type of wording.

“The company is eligible for exemption from the Financial Conduct Authority’s requirements relating to corporate governance disclosures but the board has decided to provide such disclosures which are set out on page x/below.”

DTR 7.3 implements part of the Shareholder Rights Directive on related party transactions. There are no annual report disclosure requirements in DTR 7.3 and therefore it does not form part of this checklist.

Under DTR 4.1.14R, the annual report will need to be prepared using the single electronic reporting format which will be the principal reporting document under the Transparency Directive and will require boards to consider their governance over the XHTML/XBRL version of the annual report.

The AIC Corporate Governance Code

The AIC Code of Corporate Governance (the AIC Code) sets out a framework of best practice in respect of the governance of investment companies. The 2024 version of the AIC Code has limited and focused revisions. Most of the 2024 version of the AIC Code takes effect for periods commencing on or after 1 January 2025. However, Provision 34 of the 2024 AIC Code only starts to apply for financial years beginning on or after 1 January 2026. Until then, Provision 34 of the 2019 AIC Code applies.

Some of the disclosures set out by the 2024 version of the AIC Code will sit more naturally in the strategic report than in the corporate governance statement under the annual report framework used by many companies; sufficient linkage and cross-referencing will be important. Chapter 4 of the 2024 AIC Corporate Governance Code explains:

“Corporate governance reporting should relate to other parts of the annual report and other complementary information, for example, a sustainability report, so that shareholders can effectively assess the quality of the company’s governance arrangements and the board’s activities and contributions. Where appropriate, cross referencing such information is beneficial to avoid duplication within the annual report.”

This checklist covers those aspects of the 2024 AIC Corporate Governance Code that deal with the disclosures required to be made by the board or by board committees. It does not cover all the other requirements of the AIC Code, which relate to processes within the company.

This disclosure checklist does not include material on the detailed requirements for disclosure of directors’ remuneration, many of which are included in legislation rather than the AIC Code.

Corporate Governance Code Guidance

The FRC’s online Corporate Governance Code Guidance (the Guidance) was issued in January 2024 to support companies in their application of the UK Corporate Governance Code (the UK Code). The UK Code also now includes links to this online Guidance. The FRC stresses that the Guidance should not be viewed as part of the UK Code and should not be seen as a requirement of the FRC. It is aimed at contributing helpful context to a board’s consideration of how they might go about complying with the UK Code. The Guidance incorporates and replaces previously published FRC guidance, namely the Guidance on Board Effectiveness, Guidance on Risk Management, Internal Control and Related Financial and Business Reporting and Guidance on Audit Committees.

The AIC Code incorporates both its own guidance relevant to closed-ended investment companies and links to relevant sections of the Guidance.

Audit Committees and the External Audit: Minimum Standard

Audit Committees and the External Audit: Minimum Standard (the Minimum Standard) was issued by the Financial Reporting Council in May 2023 as a response to the Government’s consultation on Restoring Trust in Audit and Corporate Governance. The Minimum Standard covers areas relating to the audit committee’s oversight of the external audit, principally audit tendering and the effectiveness of the external audit process. The 2024 version of the AIC Corporate Governance Code gives effect to the Minimum Standard through Provision 31 of the AIC Code covering the work of the audit committee in relation to external audit, making following the Minimum Standard a responsibility of the audit committee.

The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014

The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the CMA Order) was issued by the Competition & Markets Authority in 2014 following its market investigation into statutory audit services for large companies. The CMA Order requires FTSE 350 audit committees to include a statement of compliance with the provisions of this Order in each annual audit committee report, with additional audit committee report disclosures where there has not been a competitive tender for five consecutive financial years.

Other considerations

Preamble to an investment company's corporate report

Appendix 2 of the AIC Code sets out suggested text for a preamble to an investment company's corporate governance report when using the AIC Code.

“The Board of XXX plc has considered the Principles and Provisions of the AIC Corporate Governance Code (the AIC Code). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the UK Code), as well as setting out additional Provisions on issues that are of specific relevance to XXX plc. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been [endorsed by the Financial Reporting Council and/or the Guernsey Financial Services Commission and/or supported by the Jersey Financial Services Commission] provides more relevant information to shareholders. The company has complied with the Principles and Provisions of the AIC Code. The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.”

Main text including:

- narrative explaining how the investment company has applied the Principles of the AIC Code; and
- areas of non-compliance with the AIC Code and/or non-compliance with UK Code, reasons for non-compliance, period of non-compliance, etc.

Self-managed investment companies

The AIC defines a self-managed investment company as an investment company whose assets are managed by its own team of managers or by directors of the company, rather than external fund managers; i.e. these investment companies employ executive directors and have employees to manage the affairs of the company. Self-managed investment companies may have different arrangements from externally managed investment companies in some areas. Directors of self-managed investment companies should therefore bear this in mind when considering the recommendations of the AIC Code and should disclose and explain these aspects in the context of their structure. Directors of self-managed investment companies applying the AIC Code, should also have regard to the UK Code Principles and Provisions which have either been amended or deleted from the AIC Code as set out in Appendix 3 of the AIC Code.

Smaller listed companies

A few of the AIC Code provisions do not apply to companies below the FTSE 350. These are indicated where relevant in the checklist.

Other disclosures

The checklist focuses on disclosure in the annual report. The board may wish to make further disclosure in the corporate website or in other communications, either for shareholders or for engagement with other stakeholders.

Key

We have formatted this checklist to assist you in understanding the authority of the different points. The checklist includes requirements and also good practice recommendations.

Disclosure requirements – **bold**

Code Principles – rows highlighted in blue

Good practice recommendations – *italics*

Supporting guidance – no bold or italics

Detailed checklist

The UK Listing Rules		Reference	Included?		
Narrative statement on appliance of the Code					
1	<p>A statement of how the listed company has applied the Principles set out in the UK Corporate Governance Code, in a manner that would enable shareholders to evaluate how the Principles have been applied.</p> <p>A brief bland statement will not suffice. Directors should satisfy themselves that all the Principles (see below) are sufficiently covered in the narrative.</p> <p>Reporting should cover the application of the Principles in the context of the particular circumstances of the company, including how the board has set the company's purpose and strategy, met objectives and achieved outcomes through the decisions it has taken.</p> <p>It is important to report meaningfully when discussing the application of the Principles and to avoid boiler-plate reporting. The focus should be on how these have been applied, articulating what action has been taken and the resulting outcomes.</p> <p>High-quality reporting will include signposting and cross-referencing to relevant parts of the annual report. This will help investors with their evaluation of company practices.</p> <p>The UK Listing Rules also require companies to set out their reasons for non-compliance with a Code Provision. Companies may depart from the Code for a number of reasons, for example the size, complexity, history and ownership structure of a company. Explanations should set out the background, provide a clear rationale for the action the company is taking and explain the impact that the action has had. Where a departure from a Provision is intended to be limited in time, the explanation should indicate when the company expects to conform to the Provision. Explanations should be a positive opportunity to communicate, not an onerous obligation.</p> <p>Corporate governance reporting should relate to other parts of the annual report and other complementary information, for example, a sustainability report, so that shareholders can effectively assess the quality of the company's governance arrangements and the board's activities and contributions. Where appropriate, cross referencing such information is beneficial to avoid duplication within the annual report</p>	UKLR 6.6.6R(5)	Yes	No	N/A
		4.Reporting on the AIC Code			
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The UK Listing Rules		Reference	Included?		
Statement of compliance with the Code					
2	<p>A statement as to whether the listed company has:</p> <p>(a) complied throughout the accounting period with all relevant provisions set out in the UK Corporate Governance Code; or</p> <p>(b) not complied throughout the accounting period with all relevant provisions set out in the UK Corporate Governance Code and if so, setting out:</p> <p>(i) those provisions, if any, it has not complied with;</p> <p>(ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and</p> <p>(iii) the company's reasons for non-compliance.</p> <p>Suggested wording is as follows: <i>"Throughout the year ended [date] the company has been in compliance with the provisions set out in the 2024 AIC Code [except for the following matters]."</i></p> <p>Chapter 4:Reporting on the Code (AIC Corporate Governance Code) explains that companies may depart from the Code for a number of reasons, for example the size, complexity, history and ownership structure of a company. Explanations should set out the background, provide a clear rationale for the action the company is taking and explain the impact that the action has had. Where a departure from a Provision is intended to be limited in time, the explanation should indicate when the company expects to conform to the Provision. Explanations should be a positive opportunity to communicate, not an onerous obligation.</p> <p>In February 2021, the FRC issued a report "Improving the Quality of 'Comply or Explain' Reporting", which clarified that a meaningful explanation should include the following:</p> <ul style="list-style-type: none"> • set the context and background; • give a convincing rationale for the approach being taken; • consider any risks and describe any mitigating actions; and • where a departure is intended to be limited in time, indicate when the company expects to conform to the Provision. <p>"Improving the Quality of 'Comply or Explain' Reporting" adds that, where there is non-compliance, there should be a clear statement with the name of the provisions which have not been complied with, the period during which non-compliance continued and clear and meaningful explanations for departures from the Code. Companies should provide the explanation for non-compliance in one of the following ways:</p> <p>(a) as part of the compliance statement (particularly when the company has only departed from one or two Provisions); or</p> <p>(b) signpost to another page/section of the annual report, where the reader can easily find the explanation.</p> <p>The UK Listing Rules do not prescribe where the statement of compliance should be given. It will usually be located together with the narrative statement about how the Principles have been applied. This is often a separate corporate governance statement but it may be part of the directors' report. The statement of compliance is usually positioned either at the beginning or at the end of the corporate governance statement.</p> <p>The former treatment gives the statement a higher profile but the latter treatment enables the statement to be set in the context of the narrative discussion. Either is acceptable.</p> <p>N.B. A listed company which complies with UKLR 6.6.6R(6) (the comply or explain rule in relation to the Code) will satisfy the requirements of DTR 7.2.2R and 7.2.3R.</p>	UKLR 6.6.6R(6)	Yes	No	N/A
		DTR.7.2.4G			

The UK Listing Rules		Reference	Included?		
Statements on going concern and longer term viability					
3	Statements by the directors on:	UKLR 6.6.6R(3)	Yes	No	N/A
	(a) the appropriateness of adopting the going concern basis of accounting (containing the information set out in Provision 35 of the AIC Corporate Governance Code); and				
	(b) their assessment of the prospects of the company (containing the information set out in Provision 36 of the AIC Corporate Governance Code).				
<p>This UK Listing Rule requirement does not apply to non-UK incorporated companies. However, overseas incorporated companies with equity securities listed in the commercial companies or closed-ended investment funds categories are required to report on compliance with the Code, and so will be required to make a statement under Code provisions 35 and 36 unless they disclose this as a departure from the Code and give reasons. The UK Listing Rules were updated in March 2025, prior to which these statements were required to be prepared in line with relevant FRC guidance. Although this is no longer the case, to assist issuers, the UK Listing Rule contains a note linking to the online Guidance that supports the UK Corporate Governance Code and may be consulted as required.</p>					
N.B. A company that reports on Code provisions 35 and 36 will satisfy the requirements of UKLR 6.6.6R(3).		UKLR 6.6.6R(3)			

The UK Listing Rules	Reference	Included?		
<p>4 A statement in their annual financial report setting out whether the listed company has met specific board diversity targets on a 'comply or explain' basis, as at a chosen reference date within their accounting period and, if they have not met the targets, why not.</p> <p>Targets are:</p> <p>(1) At least 40% of the board are women.</p> <p>(2) At least one of the senior board positions (Chair, Chief Executive Officer (CEO), Senior Independent Director (SID) or Chief Financial Officer (CFO)) is held by a woman</p> <p>(3) At least one member of the board is from a minority ethnic background (which is defined by reference to categories recommended by the Office for National Statistics (ONS)) excluding those listed, by the ONS, as coming from a White ethnic background).</p> <p>The statement covering the requirements of the UK Listing Rule should be clear and identifiable.</p> <p>The statement should set out which targets above the company has not met, if any, and the reasons for not meeting those targets. (UKLR 6.6.6R(9)(b)) Users of the annual report may also expect the statement to set out a plan or timeline for meeting the targets.</p> <p>If board composition has changed between the reference date of the statement and the date of approving the annual report, the statement should set out any changes to the board that have affected the company's ability to meet one or more of the targets set out above and clearly specify which targets they affect. (UKLR 6.6.6R(9)(d)).</p> <p>The statement should indicate a chosen reference date within the accounting period, i.e. within the period/year covered by the annual report. If the date chosen is not the year end date, an explanation as to why would be helpful disclosure. For second and subsequent periods of reporting, where the reference date is different from the reference date used for the previous accounting period, this should be stated and an explanation provided as to why. (UKLR 6.6.6R(9)(c))</p> <p>Overseas companies with equity securities listed in the commercial companies or closed-ended investment funds categories are also required to provide this disclosure. (UKLR 6.6.17R)</p> <p>Companies with securities listed in the following categories are required to provide the same disclosure: international secondary listings (UKLR 14.3.30R), non-equity shares and non-voting equity shares (UKLR 16.3.29R), transition (UKLR 16.3.29R).</p> <p>If the company is a closed-ended investment fund, instead of setting out whether it has met the target (ii) in respect of senior board positions, it may instead set out the reasons why this matter is inapplicable to the company. (UKLR 11.4.23R and UKLR 22.2.35R)</p> <p>This UK Listing Rule requirement does not apply to open-ended investment companies, shell companies, special purpose acquisition companies (SPACs), or to entities with listings of debt securities, convertibles, preference shares and certificates representing securities (i.e. depositary receipts).</p>	UKLR 6.6.6R(9)	Yes	No	N/A

The UK Listing Rules		Reference	Included?		
5	Numerical data on the sex or gender identity and ethnic diversity of their board, senior board positions (Chair, CEO, SID and CFO) and executive management is published in a standardised table format.	UKLR 6.6.6R (10) UKLR 6 Annex 1R	Yes	No	N/A

Numerical reporting table formats set out in UKLR 6 Annex 1R are as follows:

Table 1: Reporting table on gender identity or sex

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and chair)	Number in executive management	Percentage of executive management
Men					
Women					
[Other categories]					
Not specified/ prefer not to say					

Table 2: Reporting table on ethnic background

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and chair)	Number in executive management	Percentage of executive management
White British or other White (including minority white groups)					
Mixed/ Multiple ethnic groups					
Asian/Asian British					
Black/ African/ Caribbean/ Black British					
Other ethnic group					
Not specified/ prefer not to say					

The UK Listing Rules	Reference	Included?
<p>The first data table allows companies flexibility to choose whether to report on gender identity or on sex and they should indicate which, ideally in the heading to the table.</p> <p>The placeholder for “other categories” in this table is optional and may be used to indicate additional clearly labelled categories OR may be deleted. The FCA notes in UKLR 6.6.14G that there are a range of possible approaches to data collection and a company may add to the categories in order to reflect the basis on which it has collected data.</p> <p>Executive management is defined as the executive committee or most senior executive or managerial body below the board (or where there is no such formal committee or body, the most senior level of managers reporting to the chief executive), including the company secretary but excluding administrative and support staff. Both data tables should be presented as at the reference date used for the statement discussed above (which may not be the annual report date). This date should be clearly indicated.</p> <p>Overseas companies with equity securities listed in the commercial companies or closed-ended investment funds categories are also required to provide this disclosure. (UKLR 6.6.17R)</p> <p>Companies with securities listed in the following categories are required to provide the same disclosure: international secondary listings (UKLR 14.3.30R), non-equity shares and non-voting equity shares (UKLR 16.3.29R), transition (UKLR 22.2.30R).</p> <p>Where individuals on a listed company's board or in its executive management are situated overseas, and data protection laws in that jurisdiction prevent the collection or publication of some or all of the personal data required to be disclosed under that provision, then a listed company may instead explain the extent to which it is unable to make the relevant disclosures. (UKLR 6.6.13R; UKLR 14.3.31R; UKLR 16.3.30R; UKLR 22.2.31R)</p> <p>If the company is a closed-ended investment fund and has set out why the target (ii) above in respect of senior board positions is inapplicable to the company under UKLR 11.4.23R, it may also amend the two tables to remove the columns relevant to that target.</p> <p>In addition, when including the numerical data required by UKLR 6.6.6R(10) in its annual financial report, a closed-ended investment fund need not include the fields in the first row of each of the tables and the corresponding data for those fields, that are inapplicable to the closed-ended investment fund, if it sets out in a statement accompanying the numerical data the reasons why those fields are inapplicable. (UKLR 11.4.24R and UKLR 22.2.36R)</p> <p>This UK Listing Rule requirement does not apply to open-ended investment companies, shell companies, special purpose acquisition companies (SPACs), or to entities with listings of debt securities, convertibles, preference shares and certificates representing securities (i.e. depositary receipts)).</p>		

The UK Listing Rules	Reference	Included?		
<p>6 A statement setting out an explanation of the listed company's approach to collecting the data used for the purposes of making the disclosures in UKLR 6.6.6 R(9) and (10).</p> <p>This refers to an explanation of the approach for collecting the data both on disclosure of whether the company has met the diversity targets and in respect of the data tables – see 4 and 5 above.</p> <p>The expectation is that there is consistency in approach across the individuals being reported on, and for reporting against the targets and numerical disclosures. (UKLR 6.6.15G)</p> <p>The FCA expects the explanation of a listed company's approach to data collection to include the method of collection and/or source of the data, and where data collection is done on the basis of self-reporting by the individuals concerned, a description of the questions asked. (UKLR 6.6.15G)</p> <p>Overseas companies with equity securities listed in the commercial companies or closed-ended investment funds categories are also required to provide this disclosure. (UKLR 6.6.17R)</p> <p>Companies with securities listed in the following categories are required to provide the same disclosure: international secondary listings (UKLR 14.3.30R), non-equity shares and non-voting equity shares (UKLR 16.3.29R), transition (UKLR 22.2.30R).</p> <p>This UK Listing Rule requirement does not apply to open-ended investment companies, shell companies, special purpose acquisition companies (SPACs), or to entities with listings of debt securities, convertibles, preference shares and certificates representing securities (i.e. depositary receipts).</p>	UKLR 6.6.6R (11)	Yes	No	N/A

The UK Listing Rules		Reference	Included?		
The Disclosure Guidance and Transparency Rules					
7	A statement disclosing which body carries out the functions required by DTR 7.1.3R and how it is composed.	DTR 7.1.5R	Yes	No	N/A
<p>DTR 7.1.3R sets out the following matters that the statement should cover.</p> <p>An issuer must ensure that, as a minimum, the relevant body must:</p> <ol style="list-style-type: none"> (1) monitor the financial reporting process and submit recommendations or proposals to ensure its integrity. (2) monitor the effectiveness of the issuer's internal control, internal audit where applicable, and risk management systems and, where applicable, its internal audit, regarding the financial reporting of the issuer, without breaching its independence; (3) monitor the statutory audit of the annual and consolidated accounts; (4) review and monitor the independence of the statutory auditor and, in particular, the provision of additional services to the issuer, in particular, its performance, taking into account any findings and conclusions by the Financial Reporting Council; (5) inform the administrative or supervisory body of the issuer of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting and what the role of the relevant body was in that process; and (6) be responsible for the procedure for the selection of statutory auditor(s) and recommend the statutory auditor(s) to be appointed in accordance with article 16 of the Audit Regulation. <p>N.B. A company that reports on Code Provision 8 and 31 will satisfy the disclosure requirements of DTR 7.1.5R except as regards disclosing how the body which carries out the functions required by DTR 7.1.3R is composed. [DTR 7.1.7G]</p>					

The UK Listing Rules		Reference	Included?		
The Disclosure Guidance and Transparency Rules					
8	<p>A statement containing reference to:</p> <p>(1) the corporate governance code to which the issuer is subject; and/or</p> <p>(2) the corporate governance code which the issuer may have voluntarily decided to apply; and/or</p> <p>(3) all relevant information about the corporate governance practices applied beyond the requirements under national law.</p> <p>Where 1) or 2) above apply, the statement must include where the relevant corporate governance code is publicly available. In addition, to the extent that the issuer departs from (or does not apply) that corporate governance code, an explanation of which parts of the corporate governance code it departs from (or does not apply) and the reasons for doing so.</p> <p>Where 3) above applies, the statement must include details of where the corporate governance practices applied can be found.</p> <p>DTR 7.2.1R states that the issuer must include a corporate governance statement as a specific section of its directors' report. DTR 7.2.9R states that an issuer may elect that, instead of including its corporate governance statement in its directors' report, the information required by DTR 7.2.1R to DTR 7.2.7R may be set out:</p> <p>(1) in a separate report published together with and in the same manner as its annual report. In the event of a separate report, the corporate governance statement must contain either the information required by DTR 7.2.6R (see below) or a reference to the directors' report where that information is made available; or</p> <p>(2) by means of a reference in its directors' report to where such document is publicly available on the issuer's website.</p>	DTR.7.2.2R & DTR.7.2.3R	Yes	No	N/A
	<p>An issuer that elects to include its corporate governance statement in a separate report as permitted by DTR 7.2.9R(1) (above) must provide the information required by DTR 7.2.10R (see below) in that report.</p> <p>It is important to remember that presenting the corporate governance statement as a separate report places that statement outside of the disclosures covered by the directors' liability protection provisions of the Companies Act 2006 and could lead to additional audit implications. It is recommended that a cross reference be made to include the corporate governance statement within the scope of the directors' report. DTR 7.2.11R</p> <p>N.B. A listed company which complies with UKLR 6.6.6R(6) (the comply or explain rule in relation to the Code) will satisfy the requirements of DTR 7.2.2R and 7.2.3R.</p>	DTR 7.2.11R DTR 7.2.4G			
9	<p>A statement containing a description of the main features of the issuer's internal control and risk management systems in relation to the financial reporting process.</p> <p>DTR 7.2.5R</p> <p>An issuer which is required to prepare a group directors' report within the meaning of section 415(2) of the Companies Act 2006 must include in that report a description of the main features of the group's internal control and risk management systems in relation to the process for preparing consolidated accounts. In the event that the issuer presents its own annual report and its consolidated annual report as a single report, this information must be included in the corporate governance statement.</p>	DTR 7.2.5R DTR 7.2.10R	Yes	No	N/A

The UK Listing Rules		Reference	Included?		
The Disclosure Guidance and Transparency Rules					
10	Where applicable, the statement must contain information required by paragraph 13(2)(c), (d), (f), (h) and (i) of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (see below).	DTR 7.2.6R	Yes	No	N/A
	This applies to a UK incorporated company with securities with voting rights admitted to trading on a UK regulated market.				
	Extract from para 13(2), Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008:				
	(c) in the case of each person with a significant direct or indirect holding of securities in the company, such details as are known to the company of: <ul style="list-style-type: none"> (i) the identity of the person, (ii) the size of the holding, and (iii) the nature of the holding. 				
	(d) in the case of each person who holds securities carrying special rights with regard to control of the company: <ul style="list-style-type: none"> (i) the identity of the person, and (ii) the nature of the rights. 				
	(f) any restrictions on voting rights, including in particular: <ul style="list-style-type: none"> (i) limitations on voting rights of holders of a given percentage or number of votes, (ii) deadlines for exercising voting rights, and (iii) arrangements by which, with the company's co-operation, financial rights carried by securities are held by a person other than the holder of the securities. 				
	(h) any rules that the company has about: <ul style="list-style-type: none"> (i) appointment and replacement of directors, or (ii) amendment of the company's articles of association. (iii) the powers of the company's directors, including in particular any powers in relation to the issuing or buying back of the company of its shares 				
11	The statement must contain a description of the composition and operation of the issuer's administrative, management and supervisory bodies and their committees.	DTR 7.2.7R	Yes	No	N/A
	The administrative, management and supervisory bodies relates to the unitary board itself. The wording is designed to capture other forms of board that are more common outside the UK.				
	Companies with only debt securities admitted to trading on a UK regulated market that do not have shares admitted to trading on a regulated market or a UK multi-lateral trading facility (e.g. AIM and AQSE Exchange Growth Market companies) are exempt from this requirement.				
	N.B. A listed company that meets the disclosure requirements of provisions 8, 25, 28, 31, 40 and 42 of the Code will satisfy the requirements of DTR 7.2.7R to describe the operation of the board and committees. It will still need to meet the requirements regarding composition of the board and committees.				
		DTR 1B.1.6R			
		DTR 7.2.8G			

The UK Listing Rules		Reference	Included?		
The Disclosure Guidance and Transparency Rules					
12	<p>The statement must contain a description of the diversity policy applied to the company's administrative, management and supervisory bodies and the remuneration, audit and nomination committees of those bodies with regard to aspects such as, for instance, age, gender, ethnicity, sexual orientation, disability, educational and professional backgrounds; the objectives of this policy; how the policy has been implemented and the results during the reporting period; or, if the company has no diversity policy, an explanation why that is the case.</p> <p>The administrative, management and supervisory bodies relates to the unitary board itself.</p> <p>The wording is designed to capture other forms of board that are more common outside the UK, as this requirement first arose from the UK implementation of the EU NFR Directive. For periods commencing on or after 1 April 2022, the disclosure should also capture the board's remuneration, audit and nomination committees.</p> <p>For the purposes of this description, companies may choose to include numerical data on board and committee diversity, however this is not a requirement.</p> <p>In practice, companies may make elements of this disclosure already, either in nomination committee reports under Code provision 28 or in the Strategic Report and in that case suitable enhancements and cross-references may be added to satisfy the requirement.</p> <p>Companies that qualify as small or medium sized under company law or would qualify as such if they were UK companies are exempt from this requirement.</p>	DTR 7.2.8AR	Yes	No	N/A

Is the entity a member of the AIC (Association of Investment Companies)?

Yes

No

Note that the AIC Code has been prepared for the **sole** use of the AIC's Members.

AIC Corporate Governance Code		Reference	Included?		
Board leadership and company purpose					
Principles*					
<p>NB: The AIC Corporate Governance Code requires a statement of how the company has applied the Principles in a manner that would enable shareholders to evaluate how they have been applied. Directors should satisfy themselves that each Principle is clearly covered in order to answer Yes.</p> <p>See item 1 of this checklist for FRC guidance on how to approach this disclosure.</p>					
13	A successful company is led by an effective 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 ensure that the necessary resources, policies and practices are in place for the company to meet its objectives and measure performance against them. (Incorporates relevant content from UK Code Principle A)	Principle A	Yes	No	N/A
14	The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are all aligned. All directors must act with integrity, lead by example and promote the desired culture. (UK Code Principle B)	Principle B	Yes	No	N/A
15	Governance reporting should focus on board decisions and their outcomes in the context of the company's strategy and objectives. Where the board reports on departures from the AIC Code's provisions, it should provide a clear explanation. (UK Code Principle C)	Principle C	Yes	No	N/A
16	In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties. (UK Code Principle D)	Principle D	Yes	No	N/A
<p>In explaining how the board has applied Code Principles A–D we would expect the corporate governance statement to cover:</p> <ul style="list-style-type: none"> • Clear acknowledgement that the board understands its role to deliver the success of the company both in terms of value for shareholders <u>and</u> contributions to wider society. • The checks and balances used by the board to ensure delivery of the company strategy within an agreed risk appetite. (Links to Principle O) • The board's role in establishing the company's purpose and reinforcing the delivery of that purpose through their behaviours and consistent messaging on values and strategy. (Links to Provision 2) • The way that the actions and other observable outcomes of board decisions align with the company's strategy and objectives, with disclosure where expected outcomes may change over time or may not have immediately observable outcomes. • Clear explanations where the board reports on departures from the Provisions of the Code. (See item 2 of this checklist) • The board's approach to engaging with shareholders. (Links to Provisions 3 and 4) • The board's role in stakeholder engagement, how effective two-way communication channels are established with these parties and and the board's assessment of the success of engagements with each stakeholder group. (Links to Provision 5) 					

*Note: Principle E and Provision 6 from the UK Corporate Governance Code have been deleted with agreement of the FRC as they are not relevant for externally managed investment companies.

AIC Corporate Governance Code		Reference	Included?		
Board leadership and company purpose					
17	<p><i>The chair has a key role to play in representing the company to its key stakeholders and is encouraged to report personally in the annual report about board leadership and effectiveness.</i></p> <p>The chair will usually write an introductory letter to shareholders or a preface to introduce the corporate governance section. Some chairs also choose to include comments on corporate governance in the Chair's Statement that is usually included towards the front of the annual report.</p> <p>NB: the omission of encouraged disclosures will not constitute a departure from the Code.</p>	Guidance 14	Yes	No	N/A
18	<p>The board should describe in the annual report how opportunities and risks to the future success of the business have been considered and addressed, the sustainability of the company's business model and how its governance contributes to the delivery of its strategy. For an investment company, the annual report should also include the company's investment objective and investment policy (Incorporates relevant content from UK Code Provision 1)</p> <p>Most of the Code requirements will ordinarily be met by the description of a company's business model and strategy required by Section 414C(8) (a) and (b) of the Companies Act 2006. Guidance as to the matters that should be considered in an explanation of the business model and strategy is provided in the FRC's 'Guidance on the Strategic Report'.</p> <p>The description of how the company's governance contributes to the delivery of its strategy is likely to be disclosed separately from the business model and may fit best in the corporate governance statement.</p>	Provision 1	Yes	No	N/A
19	<p>The annual report should explain the board's activities and any action taken in relation to its assessment and monitoring of culture and how the desired culture has been embedded. (Incorporates relevant content from UK Code Provision 2)</p>	Provision 2	Yes	No	N/A
20	<p>The board should provide a final summary in the annual report on what impact shareholder feedback has had on the decisions the board has taken and any actions or resolutions proposed when 20 per cent or more of votes have been cast against the board recommendation for a resolution in the period since the last annual report. (UK Code Provision 4)</p>	Provision 4	Yes	No	N/A

AIC Corporate Governance Code		Reference	Included?		
Board leadership and company purpose					
21	<p>The board should describe in the annual report how the views of the company's other key stakeholders and the matters set out in section 172 of the Companies Act 2006 have been considered in board discussions and decision-making. The board should keep engagement mechanisms under review so that they remain effective. (Incorporates relevant content from UK Code Provision 5)</p> <p>UK companies will fall within scope of section 414CZA of the Companies Act 2006 which requires a strategic report for a financial year of a company to include a statement which describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duty under section 172. The requirement under Code provision 5 also applies to non-UK companies that report on their compliance with the Code.</p> <p>Section 172 requires that "a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:</p> <p>(a) the likely consequences of any decision in the long term;</p> <p>(b) the need to foster the company's business relationships with suppliers, customers and others;</p> <p>(c) the impact of the company's operations on the community and the environment;</p> <p>(d) the desirability of the company maintaining a reputation for high standards of business conduct; and</p> <p>(e) the need to act fairly as between members of the company."</p> <p>In order to meet the Code provision, the board not only needs to identify the key stakeholders and understand their views, but also to explain how those views have been considered in board discussions and board decision-making. It also needs to set out how those matters set out in Section 172 that do not relate directly to stakeholders have been considered in board discussions and board decision-making.</p> <p>Although it is not a required disclosure, boards may also choose to set out how they meet the requirement in Provision 5 to keep engagement mechanisms under review so that they remain effective. Further guidance as to the matters that should be considered in the board's reporting on the directors' duty under Section 172 is provided in the FRC's Guidance on the Strategic Report.</p> <p>The section 172 of the Companies Act 2006 applies directly to UK domiciled companies. Nonetheless, the intention of the AIC Code is that the matters set out in section 172 are reported on by all companies, irrespective of domicile, provided this does not conflict with local company law.</p>	Provision 5	Yes	No	N/A

AIC Corporate Governance Code		Reference	Included?		
Board leadership and company purpose					
22	<p><i>The board should take action to identify and manage conflicts of interest, including those resulting from significant shareholdings, and ensure that the influence of third parties does not compromise or override independent judgement. (UK Code Provision 7)</i></p> <p>Although there is no explicit disclosure requirement under the Code, in practice a complete report will explain approach to identifying and managing conflicts of interest, including any specific actions taken during the period.</p> <p>For an investment company board, conflicts of interest may include:</p> <ul style="list-style-type: none"> • any other directorships of investment funds managed by the same manager; • shared directorships of any commercial company with other board members; • significant shareholdings held by directors in the manager; • any current or historic employment by the manager and connections to the investment company or the manager; • significant shareholdings in companies where the investment company has a notifiable stake in the same company or where the investment company has a holding which amounts to more than 1% of the investment company's portfolio. <p>(In considering what amounts to significant, directors should consider both the absolute amount of the shareholding, as well as the proportion it represents of their total portfolio of investments.)</p>	Provision 6	Yes	No	N/A

AIC Corporate Governance Code		Reference	Included?		
Division of responsibilities					
Principles*					
<p>NB: The AIC Corporate Governance Code requires a statement of how the company has applied the Principles in a manner that would enable shareholders to evaluate how they have been applied. Directors should satisfy themselves that each Principle is clearly covered in order to answer Yes.</p> <p>See item 1 of this checklist for FRC guidance on how to approach this disclosure.</p>					
23	The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information. (UK Code Principle F)	Principle F	Yes	No	N/A
24	The board should consist of an appropriate combination of directors (and, in particular, independent non-executive directors) such that no one individual or small group of individuals dominates the board's decision making. (Incorporates relevant content from UK Code Principle G)	Principle G	Yes	No	N/A
25	Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold third party service providers to account. (Incorporates relevant content from UK Code Principle H)	Principle H	Yes	No	N/A
26	The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently. (UK Code Principle I)	Principle I	Yes	No	N/A
<p>In explaining how the board has applied Code Principles F – I we would expect the corporate governance statement to cover:</p> <ul style="list-style-type: none"> • The role and responsibilities of the chair. • The role of the company secretary. (Links to Provision 19) • The composition of the board including clear judgements on the independence of the non-executive directors. (Links to Provision 10) • How the other time commitments of board members (both existing and potential) are assessed to determine that each has sufficient time to meet their board responsibilities. (Links to Provision 9) • An overview of the policies and processes adopted by the board to facilitate its effective and efficient functioning. 					

AIC Corporate Governance Code		Reference	Included?		
Division of responsibilities					
27	<i>The responsibilities of the chair, senior independent director, board and committees should be clear, set out in writing, agreed by the board and made publicly available. (Incorporates relevant content from UK Code Provision 14)</i>	Provision 8	Yes	No	N/A
Although this requirement could be met by putting the information on the company's website, companies may wish to include the information in the annual report or at least make clear in the annual report where this information can be found.					
28	The annual report should set out the number of meetings of the board and its committees, and the individual attendance by directors. (Incorporates relevant content from UK Code Provision 14)	Provision 8	Yes	No	N/A
This is probably best presented in tabular form. Companies may also wish to include brief explanations where directors have been unable to attend meetings, since this is an area of focus for investors.					
Meeting this provision will help companies to meet the requirements of DTR 7.2.7R					
29	Additional external appointments should not be undertaken without prior approval of the board, with the reasons for permitting significant appointments explained in the annual report. (Incorporates relevant content from UK Code Provision 15)	Provision 9	Yes	No	N/A
Provision 9 also states:					
When making new appointments, the board should take into account other demands on directors' time. Prior to appointment, significant commitments should be disclosed with an indication of the time involved.					
Accordingly, boards may choose to explain the policies in this area and how they have been applied during the year. Some boards may wish to explain how they define an external appointment that requires prior approval or a significant appointment.					
It should be noted that this provision applies to non-executive directors as well as executive directors, except where stated.					
30	The chair should be independent on appointment when assessed against the circumstances set out in Provision 13. (Incorporates relevant content from UK Code Provision 9)	Provision 11	Yes	No	N/A
On appointment, and throughout the chair's tenure, the chair should have no relationships that may create a conflict of interest between the chair's interest and those of shareholders, including:					
<ul style="list-style-type: none"> • being an employee of the manager or an ex-employee who has left the employment of the manager within the last five years; • being a professional adviser who has provided services to the manager or the board within the last three years; or • serving on any other boards of an investment company managed by the same manager. 					
Although this provision does not explicitly require reporting in the annual report of the company, it is anticipated that in the year in which the appointment is made, good practice will be for the board to set out its reasons in the annual report.					

AIC Corporate Governance Code		Reference	Included?		
Division of responsibilities					
31	<p>The board should identify in the annual report each non-executive director it considers to be independent. (Incorporates relevant content from UK Code Provision 9)</p> <p>Circumstances which are likely to impair, or could appear to impair, a non-executive director's independence include, but are not limited to, whether a director:</p> <ul style="list-style-type: none"> • has, or has had within the last three years, a material business relationship with the company or the manager, either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company or the manager; • has received or receives additional remuneration from the company apart from a directors' fee; • has close family ties with any of the company's advisers, directors or the manager; • holds cross-directorships or has significant links with other directors through involvement in other companies or bodies. Directors who sit on the boards of more than one company managed by the same manager are entitled to serve as directors; however, they will not be regarded as independent for the purposes of fulfilling the requirement that there must be an independent majority; • represents a significant shareholder; or • has served on the board for more than nine years from the date of their first appointment. <p>Where any of these or other relevant circumstances apply, and the board nonetheless considers that the non-executive director is independent, a clear explanation should be provided. (Incorporates relevant content from UK Code Provision 10)</p> <p>The clear explanation required by this provision goes beyond a simple statement that this is the conclusion of the board. It should engage with the circumstance that could call the independence of the individual director into question, explaining the board's rationale as to why it does not in fact compromise the director's independence. A separate clear explanation should be given for each relevant director.</p> <p>As set out by Provision 10, at least half the board, excluding the chair, should be nonexecutive directors whom the board considers to be independent. There should be a clear division of responsibilities between the board and the manager. (Incorporates relevant content from UK Code Provision 11)</p>	Provision 13	Yes	No	N/A
		Provision 13	Yes	No	N/A
32	<p><i>The board should appoint one of the independent non-executive directors to be the senior independent director to provide a sounding board for the chair and serve as an intermediary for the other directors and shareholders. Led by the senior independent director, the non-executive directors should meet without the chair present at least annually to appraise the chair's performance, and on other occasions as necessary. (UK Code Provision 12)</i></p> <p>Although there is no explicit disclosure requirement under the Code, in practice companies identify their senior independent director in the annual report, or at least make clear in the annual report where this information can be found. This will also help companies to meet the requirements of the DTR.</p>	Provision 14	Yes	No	N/A

AIC Corporate Governance Code	Reference	Included?		
Division of responsibilities				
<p>33 <i>The primary focus at regular board meetings should be a review of investment performance and associated matters such as gearing, asset allocation, attribution analysis, marketing/investor relations, peer group information and industry issues. (Additional AIC Code content)</i></p> <p>Boards should consider the company's investment policy and its investment objectives as well as the principal risks associated with pursuing the investment strategy.</p> <p>Boards should consider share price performance and net asset value performance.</p> <p>Boards should monitor the level of the share price discount or premium (if any) and, if appropriate, take steps to reduce it.</p> <p>Boards should consider the company's absolute and relative level of discount or premium and its volatility, the share price and asset performance and ways in which future share price performance might be enhanced.</p> <p>A review of marketing and shareholder communication strategies should include the establishment of steps to mitigate the potential conflicts that the manager may have in promoting the company alongside other business that it may conduct.</p> <p>Other items which should be considered include a risk map, share buy-back or issuance and treasury share policy, the performance and cost of other service providers, director remuneration and liability cover.</p> <p>Normally, a representative of the management company should be invited to attend board meetings to report on activities in relation to the investment company.</p> <p>Although there is no explicit disclosure requirement under the Code, it is good practice for companies to disclose investment objectives and the principal risks associated with pursuing the investment strategy in the annual report or make clear in the report where it can be found.</p>	Provision 15	Yes	No	N/A

AIC Corporate Governance Code		Reference	Included?		
Division of responsibilities					
34	<p>The board should explain in the annual report the areas of decision making reserved for the board and those over which the manager has discretion.</p> <p>Disclosure should include:</p> <ul style="list-style-type: none"> • a discussion of the manager's overall performance, for example, investment performance, portfolio risk, operational issues such as compliance etc; • the manager's remit regarding stewardship, for example voting and shareholder engagement, and environmental, social and corporate governance issues in respect of holdings in the company's portfolio. (Additional AIC Code content) <p>The board should also agree policies with the manager covering key operational issues.</p>	Provision 16	Yes	No	N/A
			Yes	No	N/A
			Yes	No	N/A
<p>The AIC Code explains that the board should also agree policies with the manager covering key operational issues. In the annual report disclosure the board should consider which elements of these policies will be most informative for the reader.</p> <p>AIC Code supplementary guidance suggests that policies may include:</p> <ul style="list-style-type: none"> • defining the scope of the manager's responsibilities, including the principal operating issues (such as the methodology for performance benchmarking, hedging, gearing, share buy-backs or issuances) and agreeing the procedure for the manager to report back to the board; • identifying any circumstances in which the manager should refer to the board for approval before undertaking transactions; and • agreeing a policy with the manager regarding stewardship, for example voting and shareholder engagement, and environmental, social and corporate governance issues in respect of holdings in the company's portfolio. The agreement should take account of the UK Stewardship Code. 					
35	<p>Non-executive directors should review at least annually the contractual relationships with, and scrutinise and hold to account the performance of, the manager.</p> <p>Either the whole board or a management engagement committee consisting solely of directors independent of the manager (or executives) should perform this review at least annually with its decisions and rationale described in the annual report. If the whole board carries out this review, it should explain in the annual report why it has done so rather than establish a separate management engagement committee. (Additional AIC Code content)</p>	Provision 17	Yes	No	N/A
<p>In supplementary guidance, the AIC Code provides an example of this disclosure: for example, a board might say that it considers its size to be such that it would be unnecessarily burdensome to establish a separate management engagement committee.</p>					
36	<p>The company chair may be a member of, and may chair, the management engagement committee, provided that they are independent of the manager. (Incorporates relevant content from UK Code Provision 13)</p>	Provision 17	Yes	No	N/A
<p>AIC Code supplementary guidance adds that the long-term nature of the advantages of investment companies suggests that frequent changes in management arrangements would be undesirable.</p>					

AIC Corporate Governance Code		Reference	Included?		
Division of responsibilities					
37	<p><i>The board should monitor and evaluate other service providers (such as the company secretary, custodian, depositary, registrar and broker).</i></p> <p><i>The board should establish procedures by which other service providers, should report back and the methods by which these providers are monitored and evaluated. (Additional AIC Code content)</i></p> <p>The board should put in place a structure for the regular review of these services to ensure their continued competitiveness and effectiveness.</p> <p>In practice, boards will be heavily reliant on their manager or company secretary for much of this process.</p> <p>Although there is no explicit disclosure requirement under the Code, it is good practice for companies to disclose their monitoring objectives, strategies and outcomes regarding other service providers in the annual report or make clear in the report where it can be found.</p>	Provision 18	Yes	No	N/A
38	<p><i>All directors should have access to the advice of the company secretary, who is responsible for advising the board on all governance matters. Both the appointment and removal of the company secretary should be a matter for the whole board. (UK Code Provision 16).</i></p> <p>Although there is no explicit disclosure requirement under the Code, in practice companies identify the company secretary in the annual report and explain their role, or at least make clear in the annual report where this information can be found.</p>	Provision 19	Yes	No	N/A

AIC Corporate Governance Code		Reference	Included?		
Composition, succession and evaluation					
Principles					
<p>NB: The AIC Corporate Governance Code requires a statement of how the company has applied the Principles in a manner that would enable shareholders to evaluate how they have been applied. Directors should satisfy themselves that each Principle is clearly covered in order to answer Yes.</p> <p>See item 1 of this checklist for FRC guidance on how to approach this disclosure.</p>					
39	<p>Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria⁴. They should promote diversity, inclusion and equal opportunity. (Incorporates relevant content from UK Code Principle J)</p>	Principle J	Yes	No	N/A
40	<p>The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed. (UK Code Principle K)</p>	Principle K	Yes	No	N/A
41	<p>Annual evaluation of the board should consider its performance, composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively. (UK Code Principle L)</p> <p>In explaining how the board has applied Code Principles J–L we would expect the corporate governance statement to cover:</p> <ul style="list-style-type: none"> • A summary of the board appointment process. (Links to Provisions 22, 25 and 28) • The succession planning process for board and senior management including the development of a diverse talent pipeline and consideration of the length of service of the board as a whole. (Links to Provision 22) • The composition of the board and its committees in terms of skills, experience and knowledge and the approach of the board to maintaining an appropriate balance of skills, experience and knowledge. • The board's approach to assessing its effectiveness, in particular board dynamics, i.e. how the board works together as a unit, the tone set by the chair and the senior independent director, the relationships between board members. (Links to Provisions 26 to 28) 	Principle L	Yes	No	N/A

AIC Corporate Governance Code		Reference	Included?		
Composition, succession and evaluation					
42	The board should establish a nomination committee to lead the process for appointments, ensure plans are in place for orderly succession to the board and oversee the development of a diverse pipeline for succession. A majority of members of the committee should be independent non-executive directors. If the board has decided that the entire board should fulfil the role of the nomination committee, it will need to explain why it has done so in the annual report. The chair of the board should not chair the committee when it is dealing with the appointment of their successor. (Incorporates relevant content from UK Code Provision 17)	Provision 22	Yes	No	N/A
43	<i>All directors should be subject to annual re-election. The board should set out in the papers accompanying the resolutions to elect each director the specific reasons why their contribution is, and continues to be, important to the company's long-term sustainable success. (UK Code Provision 18).</i>	Provision 23	Yes	No	N/A
	<p>The AIC Code requires the detail regarding each director's contribution to be sent out to shareholders in the papers accompanying a resolution to elect or re-elect directors. In practice these details will often be provided within the annual report but, at a minimum, details are required to be included within the papers accompanying the notice of the AGM.</p> <p>The reasons for the importance of the contribution of the director should set out relevant skills and experience rather than focusing exclusively on biographical details, although those details will in many cases be relevant to the director's experience.</p> <p>Skills and experience relevant to the company's sector, expertise in accountancy and/ or audit, stakeholder engagement, and horizon-scanning or risk (such as expertise in cyber, generative AI, data protection or sustainability) are all areas that will be useful to describe when demonstrating the importance of the director's contribution to the company's long-term sustainable success.</p>				
44	Each board should determine and disclose a policy on the tenure of the chair. A clear rationale for the expected tenure should be provided, and the policy should explain how this is consistent with the need for regular refreshment and diversity. (Incorporates relevant content from UK Code Provision 19)	Provision 24	Yes	No	N/A
	<p>Although this requirement could be met by putting the information on the company's website, companies may wish to include the information in the annual report.</p> <p>Chairs of investment companies differ to chairs of other companies which means different considerations apply with regard to tenure. The chair of an investment company presides over a board which does not have a chief executive or other executive directors. Like the UK Code, the AIC Code (Provision 11) requires the chair to be independent on appointment. However, unlike the UK Code, it specifically recommends (Provision 12) that the chair avoids relationships which might compromise independence throughout the chair's tenure. It will be particularly relevant for boards of investment companies, therefore, to determine and disclose a relevant and well-thought-out policy that reflects the circumstances of the individual company.</p>				
45	If an external search consultancy is engaged it should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors. (UK Code Provision 20)	Provision 25	Yes	No	N/A
	<p>The AIC Code is seeking to promote diversity and transparency in respect of appointments to the board.</p> <p>It is usual practice for the statement regarding any other connection with the company or individual directors to be included for each relevant adviser even where there are no such connections to report.</p>				

AIC Corporate Governance Code	Reference	Included?		
Composition, succession and evaluation				
<p>46 There should be a formal and rigorous annual review of the performance of the board, its committees, the chair and individual directors. The chair should consider having a regular externally facilitated board performance review. In FTSE 350 companies this should happen at least every three years. The external reviewer should be identified in the annual report and a statement made about any other connection it has with the company or individual directors. (Incorporates relevant content from UK Code Provision 21)</p> <p>There is an expectation that companies will have an externally facilitated board performance review at some point. Boards may wish to consider how often such a review is appropriate for their companies, bearing in mind the company's specific circumstances and, particularly for non-UK investment companies, the availability of suitable service providers.</p> <p>It is usual practice for the statement regarding any other connection with the company or individual directors to be included for each relevant adviser even where there are no such connections to report.</p> <p>In FTSE 350 companies the performance review should be externally facilitated at least once every three years.</p> <p>Performance review of the board and committees should consider the balance of skills, experience, independence and knowledge of the company on the board, its diversity, including gender, how the board works together as a unit, and other factors relevant to its effectiveness.</p> <p>The chair is responsible for making sure the board maximises the value of an externally-facilitated board performance review and for ensuring full co-operation between the company and the reviewer. Individual performance review should aim to show whether each director continues to contribute effectively and to demonstrate commitment to the role (including commitment of time for board and committee meetings and any other duties).</p> <p>Provision 27 explains that: The chair should act on the results of the board performance review by recognising the strengths and addressing any weaknesses of the board. Each director should engage with the process and take appropriate action when development needs have been identified.</p>	Provision 26	Yes	No	N/A

AIC Corporate Governance Code		Reference	Included?		
Composition, succession and evaluation					
47	<p>The annual report should describe the work of the nomination committee, (including where the whole board is acting as the nomination committee) including:</p> <ul style="list-style-type: none"> • the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline; • how the board performance review has been conducted, the nature and extent of an external reviewer’s contact with the board and individual directors, the outcomes and actions taken, and how it has or will influence future board composition; and • the policy and any initiatives on diversity and inclusion, their objectives and link to company strategy, how they have been implemented and progress on achieving the objectives. (Incorporates relevant content from UK Code Provision 23) <p>The description of the work of the nomination committee should be clearly identifiable, for example as a sub-section within the larger corporate governance report. It is usual practice for the description of the work of the nomination committee to be in the form of a separate report, written by the nomination committee and introduced by or signed by the chair of the committee.</p> <p>The Guidance provides examples of how companies can support diversity and inclusion, including:</p> <ul style="list-style-type: none"> • regularly assessing the skills and attributes needed for the organisation and reviewing the quality of candidates; • choosing executive search firms that are known for drawing up diverse longlists and seeking talent from diverse backgrounds; and • the chair and board members receiving appropriate training to promote open discussion and embrace differences of opinion. <p>The Guidance suggests some critical elements of succession planning which may be of use for companies to consider, including:</p> <ul style="list-style-type: none"> • the chair’s vision for optimal board composition, including periodic assessment of whether this has been achieved and changes to the succession planning process as necessary; • considering succession planning over three time horizons: contingency, medium-term, and longer-term; • discussions on tenure at the time of appointment to help manage longer term succession strategies; • discussing board succession plans with shareholders; and • putting the succession plan in writing to help ensure it is followed through. <p>The disclosure on the work of the nomination committee with regard to diversity and inclusion has some similarities with the requirements of DTR 7.2.8AR, however the DTR requirement applies to the board and committees only, whereas the Code requirement applies more generally across the organisation. The diversity disclosure requirements of DTR 7.2.8AR may helpfully be built into this section on the work of the nomination committee.</p>	Provision 28	Yes	No	N/A

AIC Corporate Governance Code		Reference	Included?		
Audit, risk and internal control					
48	<p>Principles</p> <p>NB: The AIC Corporate Governance Code requires a statement of how the company has applied the Principles in a manner that would enable shareholders to evaluate how they have been applied. Directors should satisfy themselves that each Principle is clearly covered in order to answer Yes.</p> <p>See item 1 of this checklist for FRC guidance on how to approach this disclosure.</p>				
49	<p>The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements. (Incorporates relevant content from UK Code Principle M)</p> <p>Note that the board’s responsibility to present a fair, balanced and understandable assessment extends to interim and other price sensitive public records and reports to regulators, as well as to information required to be presented by statutory instruments.</p>	Principle M	Yes	No	N/A
50	<p>The board should present a fair, balanced and understandable assessment of the company’s position and prospects. (UK Code Principle N)</p>	Principle N	Yes	No	N/A
51	<p>The board should establish and maintain an effective risk management and internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives. (UK Code Principle O)</p> <p>In explaining how the board has applied Code Principles M–O we would expect the corporate governance statement to cover:</p> <ul style="list-style-type: none"> • The board’s oversight of external audit (usually through the role of the audit committee) and the role that an independent and effective external audit plays in the integrity of the financial and narrative statements. • How the board discharges its responsibilities for presenting a fair, balanced and understandable assessment of the company’s position and prospects. (Links to Provision 32) • The procedures adopted by the board to manage risk. This should explain how the board determines the extent of risk the company is willing to take in order to achieve its long-term strategic objectives and then how it implements effective risk management and internal control systems within the business. (Links to Provisions 33, 34 and 36) 	Principle O	Yes	No	N/A

AIC Corporate Governance Code		Reference	Included?		
Audit, risk and internal control					
52	<p><i>The board should establish an audit committee of independent non-executive directors, with a minimum membership of three, or in the case of smaller companies two. The chair of the board should not chair the committee but can be a member if they were independent on appointment. If the chair of the board is a member of the audit committee, the board should explain in the annual report why it believes this is appropriate. The board should satisfy itself that at least one member has recent and relevant financial experience. The committee as a whole shall have competence relevant to the sector in which the company operates. (Incorporates relevant content from UK Code Provision 24).</i></p> <p>Although there is no explicit disclosure requirement under the Code, it is usual practice for companies to disclose this information in the annual report.</p> <p>The composition requirements include the requirement that the audit committee as a whole should have competence relevant to the sector in which the company operates.</p> <p>This arises from EU law and neither the AIC nor the FRC specifies number or proportion of members of the committee that would meet the “as a whole” requirement. Companies should bear this in mind when undertaking succession planning and determine in their own circumstances what audit committee composition will meet the sector competence requirement. In addition, in line with DTR 7.1.2AR, the Chair of the Audit Committee must be independent, which we consider should be assessed in the light of Code provision 13.</p> <p>Disclosure of the membership and composition of the audit committee will assist companies in meeting the requirements of DTR 7.1.5R and DTR 7.2.7R.</p>	Provision 29	Yes	No	N/A
53	<p>The annual report should describe the work of the audit committee, including the matters set out in the Audit Committees and the External Audit: Minimum Standard. (Incorporates relevant content from UK Code Provision 26)</p> <p>This should include:</p> <p>The significant issues that the Audit Committee considered relating to the financial statements, and how these issues were addressed.</p> <p>The significant issues should be clearly signposted and might include, for each significant issue:</p> <ul style="list-style-type: none"> • a brief summary of the nature and context of the significant issue which makes it clear to the reader why the issue was deemed to be important in that particular reporting year, including quantification where appropriate (a cross reference to where the issue is discussed elsewhere in the annual report is recommended to avoid repetition where possible); • the actions taken by the audit committee in respect of each significant issue; • the conclusion reached by the audit committee and the rationale behind how the audit committee reached its conclusion; • the extent to which the discussions arising led to a change in treatment; • references to other relevant parts of the annual report, for example principal risks or the notes to the financial statements, particularly the disclosure on critical accounting judgements and key sources of estimation uncertainty; and • the nature of discussions held with the auditors on the issue. <p>The Minimum Standard adds that the audit committee should include an explanation of the application of the entity’s accounting policies. This would be expected to focus on year-specific and entity-specific matters, including accounting policy choices that have been the subject of focus by the audit committee.</p>	Minimum Standard Provision 24	Yes	No	N/A
		Minimum Standard Provision 24	Yes	No	N/A

AIC Corporate Governance Code		Reference	Included?		
Audit, risk and internal control					
54	Where shareholders have requested that certain matters be covered in an audit and that request has been rejected, the audit committee should include an explanation of the reasons why.	Minimum Standard Provision 24	Yes	No	N/A
55	The annual report should explain how the audit committee has assessed the independence and effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans.	Minimum Standard Provision 24	Yes	No	N/A
56	Where a regulatory inspection of the quality of the company's audit has taken place, the annual report should set out information about the findings of that review, together with any remedial action the auditor is taking in the light of these findings.	Minimum Standard Provision 24	Yes	No	N/A
57	In case of a board not accepting the audit committee's recommendation on the external auditor appointment, reappointment or removal, the annual report should include a statement from the audit committee explaining its recommendation and that of the board, and the reasons why the board has taken a different position (this should also be supplied in any papers recommending appointment or reappointment).	Minimum Standard Provision 24	Yes	No	N/A
	This disclosure is required in both the annual report and in any papers recommending appointment or re-appointment of the auditors. But circumstances leading to such disclosure should be very rare.				
58	The annual report should include explanation of how auditor independence and objectivity are safeguarded, if the external auditor provides non-audit services.	Minimum Standard Provision 24	Yes	No	N/A
59	If a tender process has taken place within the year, the audit committee should explain the criteria used to make the selection and the process followed.	Minimum Standard Provision 25	Yes	No	N/A
	The Minimum Standard includes further detail about the criteria that should be used, which should be transparent and non-discriminatory and should be based on quality (including independence, challenge and technical competence) not on price or perceived cultural fit. (These criteria are set out in Minimum Standard Provisions 8, 9 and 13).				
	The Minimum Standard also provides additional detail on aspects of the process followed, including the timing and leadership of the process and materials considered as part of selection. (These aspects of the selection process are set out in Minimum Standard Provisions 6, 7, 8, 9, 10 and 12)				
60	The Audit Committee should report on the activities it has undertaken to meet the requirements of the Minimum Standard.	Minimum Standard Provision 26	Yes	No	N/A
	This disclosure could be expected to include information useful to understand how the audit committee has undertaken the various activities set out in the Minimum Standard, in particular how it has discharged its responsibilities with respect to the external audit (Provision 4).				
	Other Provisions of the Minimum Standard worth considering when seeking to meet this reporting Provision will include Provisions 4, 15, 19 and 23.				

AIC Corporate Governance Code		Reference	Included?		
Audit, risk and internal control					
61	<p>Where a FTSE 350 company has not completed a competitive tender process for auditor appointments for five or more consecutive financial years, the audit committee must set out in the audit committee report relating to that financial year:</p> <ul style="list-style-type: none"> the financial year in which the company proposes that it will next complete a competitive tender process; and the reasons why completing a competitive tender process in the financial year proposed is in the best interests of the company's members. <p>Where the audit committee considers that the financial year it has previously proposed is no longer appropriate for the completion of a competitive tender process, it must provide reasons for the decision in the audit committee report published immediately subsequent to the making of that decision.</p> <p>If the FTSE 350 company does not issue an audit committee report, this information must be set out by the audit committee elsewhere in the relevant annual report.</p>	The CMA Order 4.1-4.4	Yes	No	N/A
62	<p>A FTSE 350 company must include a statement of compliance with the provisions of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 in the audit committee report for each financial year.</p> <p>If the FTSE 350 company does not issue an audit committee report, this information must be set out by the audit committee elsewhere in the relevant annual report.</p>	The CMA Order 7.1	Yes	No	N/A
63	<p>The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy. (UK Code Provision 27)</p>	Provision 32	Yes	No	N/A

AIC Corporate Governance Code		Reference	Included?		
Audit, risk and internal control					
64	<p>The board should carry out a robust assessment of the company’s emerging and principal risks. The board should confirm in the annual report that it has completed this assessment, including a description of its principal risks, and an explanation of how these are being managed or mitigated. The board should explain what procedures are in place to identify and manage emerging risks. (UK Code Provision 28)</p> <p>The Guidance indicates that the descriptions of the principal risks should be sufficiently specific that a shareholder can understand why they are important to the company. The report might include a concise description of the likelihood of the risk, an indication of the circumstances under which the risk might be most relevant to the company, and its possible impacts. Significant changes in principal risks such as a change in the likelihood or possible impact, or the inclusion of new risks, should be highlighted and explained. An explanation of how the principal risks are being managed or mitigated should also be included.</p> <p>A description of suitable procedures in place to identify emerging risks are not explicitly dealt with under the Guidance. However, the Guidance does explain that emerging risks constantly change, can materialise quickly, and can significantly affect the company and its operations, and that procedures must be in place for continuous monitoring of these risks to allow the company to adapt or develop appropriate actions.</p> <p>The board should provide clear and concise information that is tailored to the specific circumstances material to the company, and should avoid using standardised language, which may be long on detail but short on insight. In considering how to meet the different disclosures summarised below, the board should bear in mind the need for the annual report and accounts as a whole to be fair, balanced and understandable.</p> <p>N.B. In order to satisfy the requirements of DTR 7.2.5R, companies are required to describe the main features of the internal control and risk management systems in relation to the financial reporting process</p>	Provision 33	Yes	No	N/A
		Guidance 291			
65a	<p>The board should monitor the company’s risk management and internal control systems and, at least annually, carry out a review of their effectiveness and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls. (Note: This is for accounting periods beginning prior to 1 January 2026)</p> <p>The FRC considers that good reporting regarding the review of effectiveness should include the following:</p> <ol style="list-style-type: none"> (1) Give a full description of the process for reviewing the effectiveness of risk management and internal control systems. (2) Explain the outcome of the review. Are these systems operating effectively? If not, what weaknesses or inefficiencies were identified? (3) If any weaknesses or inefficiencies were identified, explain what actions the board has taken, or will take, to remedy these. 	Provision 34 (2019 Code)	Yes	No	N/A

AIC Corporate Governance Code		Reference	Included?		
Audit, risk and internal control					
65b	<p>For accounting periods beginning on or after 1 January 2026 the following provision will apply in place of Provision 34 of the 2019 AIC Code (item 65a).</p> <p>The board should monitor the company’s risk management and internal control framework and, at least annually, carry out a review of its effectiveness. The monitoring and review should cover all material controls, including financial, operational, reporting and compliance controls. The board should provide in the annual report:</p> <ul style="list-style-type: none"> • A description of how the board has monitored and reviewed the effectiveness of the framework; • A declaration of effectiveness of the material controls as at the balance sheet date; and • A description of any material controls which have not operated effectively as at the balance sheet date, the action taken, or proposed, to improve them and any action taken to address previously reported issues. (UK Code Provision 29) <p>What is a ‘material control’ is for each individual board to determine. Material controls will be company-specific and therefore different for every company depending on their features and circumstances, including, for example, the company’s size, maturity, complexity and strategic objectives. The needs for each company may vary.</p> <p>The approach boards take in relation to this Provision should be a targeted, proportionate and balanced response to meeting enhanced investor and stakeholder expectations for better governance reporting around risk management and internal controls whilst minimising reporting burdens on the company.</p> <p>The intention of the declaration is for boards to make a public statement about the work they already undertake on the effectiveness of material controls. There is no expectation that making this declaration will require any significant change to the processes or procedures that boards already perform.</p> <p>The FRC has made clear that it recognises that some aspects of control (e.g. controls over non-financial reporting) may be less mature and therefore not capable of full assurance of effectiveness for the purposes of the declaration. This could be a reason for a board deciding to report a non-compliance.</p> <p>N.B. In order to satisfy the requirements of DTR 7.2.5R, companies are required to describe the main features of the internal control and risk management systems in relation to the financial reporting process.</p>	Provision 34 (2024 Code)	Yes	No	N/A
	<p>The annual report should include a declaration on the effectiveness of the material controls at the balance sheet date. The board can only provide a reasonable conclusion regarding the effectiveness of the controls, based on the work carried out and evidence obtained.</p>	Guidance 296, 298, 300	Yes	No	N/A

AIC Corporate Governance Code	Reference	Included?
Audit, risk and internal control		
<p>When the board has been unable to determine the effectiveness of a material control and/or provide a declaration on its effectiveness, the board could utilise the ‘comply or explain’ nature of the Code and explain this in the annual report.</p> <p>The declaration covers information collected before and on the date of the balance sheet. There may be further procedures that are necessary for the company to carry out as part of its internal controls framework, which occur after the date of the balance sheet, and may be relevant to making a declaration on the effectiveness of the material controls.</p> <p>The board’s declaration of the effectiveness of the material controls might be worded along the following lines:</p> <p><i>“On the basis of the review, monitoring and assurance activities described on pages X and X, the board confirms that the material controls (as defined on page X) were operating effectively as at the balance sheet date ...[any exceptions - see below].”</i></p>		
<p>If a material control is not operating effectively at the date of the balance sheet, the board should disclose this in the annual report together with any action taken, or proposed, to improve controls. When establishing if a control is operating effectively, the board should also consider its effective design and implementation. The annual report should also provide a summary of how the board has addressed previously reported issues.</p> <p>Reporting on the board’s review of risk management and internal control systems is normally included in the corporate governance section of the annual report and accounts, but this reflects common practice rather than any mandatory requirement and companies can choose where to position it in their report. In any event, the company should consider whether and how to link reporting on the review of the risk management and internal control systems to the information on principal risks in the Strategic Report and material uncertainties relating to the going concern basis of accounting in the financial statements.</p> <p>A suggested description of any material controls which have not operated effectively as at the balance sheet date, the action taken, or proposed, to improve them and any action taken to address previously reported issues might be worded as follows:</p> <p><i>“... with the following exceptions: [list the details of any material controls not operating effectively as at the balance sheet date and what action taken or proposed] [also consider any control issues through the year that may have been fixed by the year end but which were in the public domain and so should be referenced]. We also provide an update on the actions in relation to matters previously reported [suggest that this should include any material controls issue reported in the previous annual report (even if not under the 2024 Code)].”</i></p>	Guidance 297	Yes No N/A

AIC Corporate Governance Code		Reference	Included?		
Audit, risk and internal control					
66	<p>In annual and interim financial statements, the board should state whether it considers it appropriate to adopt the going concern basis of accounting in preparing them, and identify any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements. (UK Code Provision 30)</p> <p>This requirement overlaps with UKLR 6.6.6R(3). Under the FRC's 2025 Guidance on the Going Concern Basis of Accounting and Related Reporting, there are four reporting scenarios which the board can reach on whether to adopt the going concern basis of accounting and whether there are material uncertainties:</p> <ul style="list-style-type: none"> the going concern basis of accounting is appropriate and there are no material uncertainties. The directors should adopt the going concern basis of accounting, make an explicit statement that the adoption of the going concern basis of accounting is considered appropriate, consider overarching disclosure requirements and information necessary for a true and fair view; or the going concern basis of accounting is appropriate and there are no material uncertainties but reaching that conclusion involved significant judgement. The directors should adopt the going concern basis of accounting, make an explicit statement that the adoption of the going concern basis of accounting is considered appropriate, consider overarching disclosure requirements including disclosure about significant judgements and any assumptions or information necessary for a true and fair view; or the going concern basis of accounting is appropriate but there are material uncertainties. Reaching that conclusion may or may not involve significant judgement. The directors should adopt the going concern basis of accounting, make an explicit statement that the adoption of the going concern basis of accounting is considered appropriate, disclose any material uncertainties and consider the overarching disclosure requirements which apply including disclosures about any significant judgements, assumptions and information necessary for a true and fair view; or the going concern basis of accounting is not appropriate. Such a conclusion is likely to be rare. The directors should make an explicit statement that the adoption of the going concern basis of accounting is not considered appropriate and the reasons why, disclose the basis of accounting adopted and make any other disclosures necessary to give a true and fair view. <p>In performing this assessment, the board considers all available information about the future, the possible outcomes of events and changes in conditions and the realistically possible responses to such events and conditions that are available to the board.</p> <p>To be useful the disclosures of material uncertainties must explicitly identify that they are material uncertainties that they may cast significant doubt upon the entity's ability to continue to apply the going concern basis of accounting.</p>	Provision 35	Yes	No	N/A

AIC Corporate Governance Code		Reference	Included?		
Audit, risk and internal control					
67	<p>Taking account of the company's current position and principal risks, the board should explain in the annual report how it has assessed the prospects of the company, over what period it has done so and why it considers that period to be appropriate. The board should state whether it has a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, drawing attention to any qualifications or assumptions as necessary. (UK Code Provision 31)</p> <p>Companies may consider developing their viability statements in two stages: firstly, by considering and reporting on their longer-term prospects, taking into account the company's current position and principal risks; and then by stating whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their viability assessment, drawing attention to any qualifications or assumptions as necessary.</p> <p>Reasonable expectation does not mean certainty. It does mean that the assessment can be justified. Guidance 307 adds that it may be useful to discuss with investors their information needs to help inform the period selected.</p> <p>Companies could tailor their approach to their specific circumstances and planning cycles, and the board should provide an explanation for the period of assessment chosen. Where the period of assessment for the viability statement differs from other related assessments disclosed in the annual report, boards should consider explaining why there is a timeframe discrepancy in the justification for the period.</p> <p>Any qualifications or assumptions to which the board considers it necessary to draw attention in their statement should be specific to the company's circumstances, be relevant to an understanding of the directors' rationale for making the statement, only include matters that are significant to the company's prospects and not include matters that are highly unlikely either to arise or to have a significant impact on the company. They should cross-refer to, rather than repeat, disclosures given elsewhere.</p> <p>Good practice examples clearly explain the underlying analysis that supports the statement. They should also include proper explanation of how the company has carried out its analysis.</p>	<p>Provision 36</p> <p>Guidance 308</p> <p>Guidance 311</p> <p>Guidance 310</p> <p>Guidance 316</p> <p>Guidance 317</p>	<p>Yes</p> <p>No</p> <p>N/A</p>		

AIC Corporate Governance Code		Reference	Included?		
Remuneration					
Principles					
<p>NB: The AIC Corporate Governance Code requires a statement of how the company has applied the Principles in a manner that would enable shareholders to evaluate how they have been applied. Directors should satisfy themselves that each Principle is clearly covered in order to answer Yes.</p> <p>See item 1 of this checklist for FRC guidance on how to approach this disclosure.</p> <p>Provisions 36, 37, 38, 39, and 40 from the UK Code were deleted from the AIC Code with agreement of the FRC as they are not relevant for externally managed investment companies which remunerate directors using flat fees and have no elements of variable pay, performance related measures or benefits in kind in place.</p>					
68	Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. (Incorporates relevant content from UK Code Principle P)	Principle P	Yes	No	N/A
69	A formal and transparent procedure for developing policy on remuneration should be established. No director should be involved in deciding their own remuneration outcome. (Incorporates relevant content from UK Code Principle Q)	Principle Q	Yes	No	N/A
70	Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances. (UK Code Principle R)	Principle R	Yes	No	N/A
<p>In explaining how the board has applied Code Principles P-R we would expect the corporate governance statement (or the Directors' Remuneration Report) to cover:</p> <ul style="list-style-type: none"> How the board ensures that remuneration policies and practices support the company's purpose and values, the delivery of strategy and the long-term success of the business. (Links to Provisions 38) 					

AIC Corporate Governance Code		Reference	Included?		
Remuneration					
71	<p>Where a remuneration consultant is appointed, this should be the responsibility of the remuneration committee. The consultant should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors. Independent judgement should be exercised when evaluating the advice of external third parties. (Incorporates relevant content from UK Code Provision 35)</p> <p>The reference to “other” connections with the company appears to refer to connections other than as advisers to the remuneration committee. There are statutory disclosure requirements concerning the identity of and fees paid to persons who have provided advice or services to the remuneration committee, that materially assisted the committee in the consideration of directors’ remuneration.</p> <p>It is usual practice for the statement regarding any other connection with the company or individual directors to be included for each relevant adviser even where there are no such connections to report.</p>	Provision 40	Yes	No	N/A
72	<p>There should be a description of the work of the remuneration committee in the annual report. (Incorporates relevant content from UK Code Provision 41)</p> <p>The description of the work of the remuneration committee should be clearly identifiable, for example as a sub-section within the larger corporate governance report.</p> <p>AIC Code Provision 41 sets out that the main role and responsibilities of the remuneration committee for an investment company should include:</p> <ul style="list-style-type: none"> • in conjunction with the chair, setting the directors’ remuneration levels; and • considering the need to appoint external remuneration consultants. 	Provision 42	Yes	No	N/A

The Deloitte Centre for Corporate Governance

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