

STATEMENT OF COMPLIANCE WITH THE AIC CODE OF CORPORATE GOVERNANCE

The Board recognises the importance of sound corporate governance and has chosen to comply with the Association of Investment Companies (AIC) Code of Corporate Governance (the "**AIC Code**"). This was last updated 28 September 2018.

The Company complies with (or departs from) the principles of the AIC Code as follows:

No.	Principle	Details of compliance with (or explanation of departure from) the AIC Code
1	The chairman should be independent.	The Chairperson is independent, in compliance with the AIC Code.
2	A majority of the board should be independent of the manager.	<p>A majority of the Board is independent of Oakley Capital Limited (the "Investment Adviser") and Oakley Capital Manager Limited (the "Administrative Agent"), in compliance with the AIC Code.</p> <p>All Directors are considered independent, with the exception of Peter Dubens, who is founder and Managing Partner of the Oakley Capital Group. In the Board's view, the other Directors are independent notwithstanding some of their individual length of service on the Board as they are free from any business or other relationship that could materially interfere with their exercise of judgment.</p>
3	Directors should be submitted for re-election at regular intervals. Nomination for re-election should not be assumed but be based on disclosed procedures and continued satisfactory performance.	Under the Company's bye-laws, one third of the Directors are required to retire at each annual general meeting (" AGM ") of the Company. In practice, each of the Directors retires and is subject to re-election at each AGM. Nomination decisions are taken by the independent Directors and the rationale for such decisions will be disclosed in the Company's annual report, in compliance with the AIC Code.
4	The board should have a policy on tenure, which is disclosed in the annual report.	<p>The Board has chosen not to adopt a fixed policy on tenure and therefore does not comply with Principle 4 of the AIC Code.</p> <p>While the Board recognises the value of refreshing its members regularly, it does not consider it necessary or appropriate to adopt a policy whereby Directors only serve for limited periods of time. The Directors prefer to retain the flexibility to assess the balance of skills and experience of</p>

		<p>the Board as a whole. Furthermore, given the long-term nature of the Company's investments, the Directors consider that maintaining some continuity and a long-term perspective at Board level can be particularly valuable. The Board has agreed to keep this matter under regular review.</p>
5	<p>There should be full disclosure of information about the board.</p>	<p>Full disclosure of information about the Board will be included in the Company's annual reports on an ongoing basis, in compliance with the AIC Code.</p> <p>All committees recommended by the AIC Code have been established, save for a remuneration committee and a nomination committee. The Directors consider that it is more appropriate for nomination and remuneration decisions to be considered by the full Board.</p> <p>Terms of reference for the Board's risk, audit and management engagement committees are available on the Company's website at http://oakleycapitalinvestments.com/investor-relations/publications/.</p>
6	<p>The board should aim to have a balance of skills, experience, length of service and knowledge of the company.</p>	<p>The Directors believe that the Board has an appropriate balance of skills and experience, independence and knowledge of the Company to enable it to provide effective strategic leadership and proper governance of the Company.</p> <p>The Directors have agreed to keep the composition of the Board and its committees under review, taking into account the detailed recommendations of the AIC Code.</p>
7	<p>The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.</p>	<p>The Board has agreed to undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors, in compliance with the AIC Code. Details of each annual evaluation will be included in the Company's annual report.</p>
8	<p>Directors' remuneration should reflect their duties, responsibilities and the value of their time spent.</p>	<p>The Board has chosen not to establish a separate remuneration committee as it considers it more appropriate for remuneration decisions to be considered by the full Board. No Director determines their own remuneration.</p>

9	The independent directors should take the lead in the appointment of new directors and the process should be disclosed in the annual report.	<p>The independent Directors take the lead in the appointment of new Directors, in compliance with the AIC Code. The Board has agreed to disclose the process for the appointment of new Directors in the Company's annual reports on an ongoing basis.</p> <p>The Board has chosen not to establish a separate nomination committee as it considers it more appropriate for nomination decisions to be considered by the full Board.</p>
10	Directors should be offered relevant training and induction.	New Directors are provided with an induction programme tailored to the particular circumstances of the appointee and which includes being briefed fully about the Company by the Chairperson and senior executives of the Investment Adviser. The Chairperson will regularly review and agrees with Directors their training and development needs as necessary to enable them to discharge their duties.
11	The chairman (and the board) should be brought into the process of structuring a new launch at an early stage.	This principle applies to the launch of new investment companies and is not applicable to the Company.
12	Boards and managers should operate in a supportive, co-operative and open environment.	The Board believes that its relationship with the Investment Adviser and the Administrative Agent is sufficiently supportive, co-operative and open. The Board is kept fully informed of investments and other matters that are relevant to the business of the Company through the provision of periodic reports from the Investment Adviser and the Administrative Agent. In addition, the Investment Adviser briefs the Board on a regular basis with feedback from analysts and investors.
13	The primary focus at regular board meetings should be a review of investment performance and associated matters such as gearing, asset allocation, marketing/investor relations, peer group information and industry issues.	The Directors review the Company's investment performance and associated matters at regular Board meetings. This review includes considering the Company's share price, net asset value, investments and debt facilities.
14	Boards should give sufficient attention to overall strategy.	The Board sets the investment strategy and business objectives of the Company and monitors its performance on an ongoing basis. The Board receives information from the Company's service providers that it considers to be

		sufficient and appropriate to enable it to give sufficient attention to the overall strategy of the Company.
15	The board should regularly review both the performance of, and contractual arrangements with, the manager (or executives of a self-managed company).	The Board has established a management engagement committee, which meets twice a year. The purpose of the committee is to review on a regular basis the performance of the key service providers to the Company (including the Investment Adviser and the Administrative Agent).
16	The board should agree policies with the manager covering key operational issues.	The Board has agreed policies with the Investment Adviser covering key operational issues. The ultimate decision to invest, or take any other action with respect to an investment, sits with the Board. In the ordinary course, it makes decisions after reviewing the recommendations of the Investment Adviser. Pursuant to an operational services agreement, the Board has delegated substantial authority for carrying out the day-to-day administrative functions of the Company to the Administrative Agent.
17	Boards should monitor the level of the share price discount or premium (if any) to net asset value and, if desirable, take action to reduce it.	The Board monitors the share price and net asset value of the Company on an ongoing basis. Consideration of the share price and net asset value is one of the principal matters considered at regular Board meetings. The Board is taking steps which are reducing the discount, as set out in its latest annual and half-year reports.
18	The board should monitor and evaluate other service providers.	The Company has established a management engagement committee, which meets twice a year. The purpose of the committee is to review on a regular basis the performance of the key service providers to the Company. The committee is authorised to seek any information it requires from any service provider to the Company in order to perform its duties and from the Investment Adviser's investor relations function.
19	The board should regularly monitor the shareholder profile of the company and put in place a system for canvassing shareholder views and for communicating the board's views to shareholders.	Members of the Board have had the opportunity to attend meetings with major shareholders, and the Board receives major shareholders' views of the Company via direct face-to-face contact, analyst and broker briefings. The Company organises an annual Capital Markets Day which involves presentations to shareholders and analysts on the performance of the underlying Oakley Capital private equity funds in which the Company invests.

		<p>The Company has appointed an individual who has specific dedicated responsibility for Investor Relations.</p> <p>In addition, the Investment Adviser maintains dialogue with institutional shareholders and briefs the Board on a regular basis with regard to any feedback received from analysts and investors. Any significant concerns raised by shareholders in relation to the Company are also communicated to the Board. The Company's Nominated Broker (Liberum Capital Limited) regularly reports directly to the Board at their meetings. In addition, research reports published by financial institutions on the Company are circulated to the Board.</p>
20	The board should normally take responsibility for, and have a direct involvement in, the content of communications regarding major corporate issues even if the manager is asked to act as spokesman.	The Board takes responsibility for, and has direct involvement in, the content of communications regarding major corporate issues.
21	The board should ensure that shareholders are provided with sufficient information for them to understand the risk:reward balance to which they are exposed by holding the shares.	The Board will ensure, on an ongoing basis, that the Company's annual reports contain sufficient information to enable its shareholders to understand the nature of their investments in the Company, in compliance with the AIC Code.