

The role of the Board is to provide leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed.

The Board sets the Company's strategic aims, ensures that the necessary resources are in place for the Company to meet its objectives and reviews the performance of the Company's Manager, Franklin Templeton Investment Trust Management Limited (the "**Manager**").

The Board sets the Company's values and standards and ensures that its obligations to its shareholders are understood and met.

The Board retains overall responsibility for the Company's affairs. However, subject to the final approval of the Board certain of these responsibilities have specifically been delegated to committees or sub-committees of the Board. The detail and extent of such delegation is set out in the terms of reference of those committees as set by the Board or in the minutes of the Board meeting creating a special sub-committee.

The Board has delegated the day-to-day management of the Company to the Manager, under an Alternative Investment Fund Management Agreement.

The following is a list of matters which the Board has agreed are specifically reserved to them for their collective decision, but it is not intended to be an exhaustive list and is subject to amendment by the Board. The Board can decide to empower a sub-committee for the approval of a final draft of documents during Board meetings.

Companies act requirements

1. Approval of the annual financial report and accounts and the half-yearly financial report.
2. Recommendation for shareholders' approval of the final dividend and approval of any interim dividend.
3. Approval of any change in the accounting reference date and of any significant change in accounting policies or practices.
4. Recommending for shareholders' approval the appointment and retirement of the external auditors, taking into consideration the recommendations of the Audit Committee.
5. Approval, where appropriate, of conflicts of interest or potential conflicts of interest.

UK listing authority

6. Approval of all circulars and listing particulars (approval of routine documents or periodic circulars).
7. Approval of any preliminary statement of annual results of the Company.
8. Approval of press releases concerning matters to be decided by the Board.

Management and Company structure

9. Approval of any changes relating to the Company's capital or corporate structure or its status as a public limited company.
10. Approval of the policy/programme in relation to the management of the discount, share buy backs, cancellation or placing bought back shares in treasury, the re-issue of shares from treasury and the issue of new shares all as governed permissions granted by shareholders at a general meeting of the Company.
11. Appointment or removal of the Company's Manager(s) and terms of such appointment including the rate of remuneration.
12. Appointment or removal of the Company Secretary and/or Administrator and terms of such appointment including the rate of their remuneration for so acting.
13. Approval of the proxy voting policy of the Company as an institutional investor.
14. Changes to the Company's management and control structure and particularly having regard to the protection of the Company's qualification as an investment trust under Section 1158 of the Corporation Tax Act 2010.
15. Any act which may affect the investment trust status of the Company.

Board membership and Board committees

16. Approval of the Directors' terms of appointment and deeds of indemnity and any changes thereto.
17. Determination and approval of the remuneration of Directors upon recommendation from the Nomination and Remuneration Committee, including any fees payable for membership of committees.
18. Consideration of succession planning and approval of Board appointments and removals and selection of the Board Chairman, taking into consideration the recommendation of the Nomination and Remuneration Committee.
19. Approval of the Terms of Reference and membership of Board Committees.
20. Determination on an ongoing basis of whether Directors are considered independent.

Strategy and risk management

21. Determination of the Company's investment objective and guidelines (including investment restrictions set out in the Alternative Investment Fund Management Agreement).
22. Approval of the annual operating budget.
23. Approval of all material contracts of the Company in the ordinary course of business which have a monetary value of greater than £100,000, other than contracts relating to the management of the portfolio of the Company.
24. Approval of all contracts of the Company not in the ordinary course of business (for e.g., loans and repayments).
25. Monitor and review the shareholder base of the Company and shareholder marketing and communication strategies.
26. Approval of the Company's risk management strategy.
27. Approval of the Company's gearing policy.
28. Approval of the treasury policies (including foreign exchange exposures) which have not been delegated to the Manager under the Alternative Investment Fund Management Agreement.

Corporate governance

29. Annual formal review of the performance of the Board, its committees, the individual Directors, the Manager and the Secretary. All Directors are subject to annual re-election. The Board sets 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.
30. Review of the Company's overall corporate governance arrangements.
31. Oversight of the Company's compliance with the UKLA's Listing Rules, the FCA's Disclosure and Transparency Rules, the New Zealand Stock Exchange Listing Rules, the principles and recommendations of the AIC Code of Corporate Governance, the UK Corporate Governance Code and any other regulatory requirements. Directors have access to the advice of the Company secretary, who is responsible for advising the Board on all governance matters.

Miscellaneous

32. Formulation of any policy regarding any charitable and political donations.
33. Approval of the prosecution, defence or settlement or other dealings in respect of any litigation, dispute or investigation.
34. Approval of any internal control arrangements.
35. Approval of any Directors' and Officers' liability insurance or any other insurance of the Company.
36. Approval of the appointment of principal advisers and determination of their remuneration.
37. Approval of authorised signatories for the Company.
38. Approval of this schedule of matters reserved for the Board.

Dated 30 September 2021