

Corporate Governance Statement

Gresham House Strategic plc is a member of the Association of Investment Companies and has regard to the AIC Code of Corporate Governance issued in July 2016, (the AIC Code) which sets out a framework of best practice for its member companies. This statement, which was approved by the board on 20 September 2018, explains how the Company complies with that code.

The Board

All of the Directors are independent of the Investment Manager and all are considered to be independent. David Potter, Charles Berry and Helen Sinclair were directors of Spark Ventures plc, however this was prior to its reincarnation with a new investment philosophy, a new investment manager, new shareholders and a new name. The AIC Code recommendations note that the boards of investment companies are likely to benefit more than most other companies from having at least one director with considerably longer than nine years' experience.

All of the Directors stand for re-election at each AGM. The Directors consider the performance and ongoing suitability of each Director, including the Chairman, to continue to serve on the Board. For the 2018 AGM, the Board considered that each of the Directors continued to make a valuable contribution to Board discussions and decisions and supported their re-election at the AGM.

The Board has a policy to have a balance on the Board in terms of Directors' tenure, so that the knowledge and experience of the Company which is brought by longer serving Board members can be complemented by the addition of diverse insights and approaches brought by newer Board members.

The Board fully endorses the AIC Code with respect to diversity on the Board and would always consider diversity when making any new Director appointments.

Biographical details of each of the Directors are given in the annual report and on the Company's website. The Directors have a range of skills, knowledge and experience. An induction programme is arranged for new Directors which is tailored to their particular needs. The Directors are provided with appropriate updates on legal, regulatory and governance issues and issues relating to the investment company sector.

Board meetings

Representatives from the Investment Manager are invited to attend board meetings. The Board may also meet from time to time without the Investment Manager present, when considering the Manager's performance, fees and contractual arrangements.

The Board considers investment performance, investor relations, share price performance and other relevant matters at each Board meeting. The Board has a dedicated strategy session at least annually. Policies have been agreed with the Investment Manager and outsourced administration, accounting and company secretarial provider to cover key operational issues. During the year the Board reviewed and renegotiated the arrangements for its advisers and outsourced service providers and as a result costs have been reduced. Other potential providers were considered as part of this process.

As disclosed in the annual report, the Board has regular discussions with the Investment Manager and its advisers about the discount to net asset value at which the shares trade and how this might be

reduced. Over the past two years, the Company has undertaken share buybacks in an effort to address the discount.

The Board held four scheduled meetings during the financial year to 31 March 2018. Charles Berry and Ken Lever were present for all of these meetings. David Potter and Helen Sinclair attended three out of the four meetings. In addition, there was one telephone board meeting in which all Directors participated.

Board committees

The Board has an audit committee, the members of which are Charles Berry (Chair), Ken Lever and Helen Sinclair. Charles Berry has recent and relevant financial experience and the audit committee as a whole has competence in the investment company sector. The committee normally meets before the release of the full and half year results. During the 2018 financial year the committee met once and all members were present.

The Board does not consider it necessary to have a remuneration committee. It has agreed that the work which would be undertaken by a management engagement committee will be undertaken by the whole Board. The whole Board also acts as the nomination committee. The performance of and contractual arrangements with the Investment Manager are reviewed at least annually.

Shareholder communications

The Board receives a regular analysis of the Company's shareholders, which allows it to communicate with them on relevant issues. The Chairman meets with the Company's major shareholders annually if they wish to do so to discuss matters of governance and strategy. The Company uses the AGM to communicate with those shareholders who attend and the board responds to their questions at the meeting.

The Company's website is used to provide all existing and potential shareholders with information about the Company, its investment policy and performance in order that they may understand the risk/reward balance of holding shares in the Company.

Shareholders are able to communicate with the Company's registrars (Link Asset Services) in relation to questions about their holdings and may also communicate with the Investment Manager or the Board. Details of how to do this are on the Company's website.

Compliance with the AIC Code

The Board endeavours to comply with the AIC Code. Areas of non-compliance are explained below:

Given the size of the Board, the Directors do not consider it necessary to appoint a Senior Independent Director. Shareholders may contact the Chair of the Audit Committee if they have any concerns which they do not feel able to raise with the Chairman.

An externally facilitated board evaluation has not taken place during the year as the Board does not believe the cost is justified. However, during the coming year, the Board will use a form of board evaluation provided and run by the company secretary (which is, in any case, an external provider). The company secretary has very wide experience of other boards, their practices and capabilities.

20 September 2018