

## IDENTIFICATION OF INDEPENDENT DIRECTORS

The Listing Rules state that the board of an Issuer must have at least three directors. The Listing Rules also require a Company to report against an appropriate corporate governance code and therefore the Company has elected to adopt the Finance Sector Code of Corporate Governance (the “Code”) issued by the Guernsey Financial Services Commission (“GFSC”). The Code recommends that, taking into account the size, nature and complexity of the company, the Board may include one or more non-executive directors, including independent non-executive directors where appropriate, in order for there to be a suitable balance of skills.

The Company defines an independent director as a director who is not an executive of the Company and who has no “disqualifying relationship”. A director will have a disqualifying relationship where that director has a direct or indirect interest or relationship that could reasonably influence, in a material way, the director’s decisions in relation to the Company. A director will be deemed to have such a relationship where:

- (a) the director is a substantial security holder of the Company or an associated person of a substantial security holder (other than solely as a consequence of being a director of the Company); or
- (b) the director or an associated person of the director has a relationship (in the case of a director, other than in his or her capacity as a director) with the Company or a substantial security holder; and by virtue of that relationship, that directly or *any* associated person of the director is likely to derive, in the current financial year of the Company, a substantial portion of his, her or its annual revenue in that financial year from the Company. For this purpose, generally 10% of a director’s or an associated person’s revenue will be a “substantial portion” of that director’s or associated person’s annual revenue. Dividends and other distributions payable to a director or an associated person in their capacity as a shareholder of the Company do not form part of that person’s annual Revenue.

The Board comprises five directors, being the Managing Director, two executive Directors and two non-executive Directors. The specialist expertise provided by the executive board members is essential to the governance structure and while there are only two non-executive Directors, the Board has determined that its composition and the skill sets of the directors are satisfactory for the size and nature of the Company and that the cost of increasing the number of non-executive Directors is not warranted at this time.