

Corporate Governance Codes

The below sets out how we have applied the relevant principles and provisions of the Association of Investment Companies Code of Corporate Governance (AIC Code) and the 2018 UK Corporate Governance Code (UK Code) during the financial year ending 31 December 2024.

The AIC Code, adapts the Principles and Provisions of the UK Code to make them relevant for investment companies. The RIT Board of Directors therefore considers the AIC Code to represent the most appropriate governance framework for the Company; while recognising that as a self-managed investment trust, aspects of the UK Code remain relevant.

AIC Code Principle	Application
<p>A. 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.</p>	<p>The 2024 annual performance evaluation was carried out by an external evaluator, Lintstock. Their appointment followed a selection process led by the Senior Independent Director.</p> <p>The evaluation concluded that the Board and its Committees continue to operate effectively. Areas including the Board's composition, the quality of Board support, including interaction with our investment manager and subsidiary, J. Rothschild Capital Management Limited (Manager), and the performance of the Committees recognised as particular strengths.</p> <p>As part of its role to promote the long-term sustainable success of the Group, the Board is tasked with meeting the Company's Corporate Objective of delivering long-term capital growth while preserving shareholders' capital, and it keeps the strategy to achieve this, under review.</p> <p>During 2024, the Company undertook a series of buybacks, acquiring approximately 4.3 million of its shares, which is designed to provide an accretive return on investment, resulting in an increase in the NAV per share return for shareholders. Moreover, the Board acknowledges that for many of its shareholders a progressive approach to dividends represents a helpful source of growing income and it proposes to increase the dividend and the Board's policy is to maintain or increase the dividend, subject to the overriding capital preservation objective.</p> <p>The Board is mindful of its contribution to wider society and strives to meet its obligations through ensuring effective stakeholder engagement by the Group. This includes with our shareholders, our employees and initiatives contributing to the environment and wider society. Further information on our stakeholder engagement can be found in the Sustainability Report in the Annual Report and Accounts [Link]</p>

AIC Code Principle	Application
<p>B. The Board should establish the Company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example and promote the desired culture.</p>	<p>The Directors consider that the purpose and strategy are enshrined in the Company's Corporate Objective and Investment Policy.</p> <p>Our values underpin and govern our Group's operations and are based on integrity and respect for all our stakeholders. Together, our purpose, values and strategy foster a strong and healthy culture of honest and open communication and engagement between Directors and within the wider workforce of the Group, promoting fairness, equality and professional development.</p> <p>The Directors recognise the importance of their role in monitoring and assessing the Company's purpose, values and strategy, which are reinforced in meetings between the Directors and the Manager. Furthermore, the Manager provides quarterly and also ad hoc updates to the Directors on how the Company's values and culture are being applied throughout the Group's operations and in the implementation of its strategy.</p> <p>The application of the Manager's Responsible Investment Framework & Policy, with its central principles of ESG and continual engagement with investment counterparties, is an example of the Company's purpose, values and culture working in practice.</p>
<p>C. The Board should ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.</p>	<p>The Board receives from the Manager regular and detailed reports and information on the Company's investment performance as well as in relation to its finance and operational capability, including the annual budget. Performance is measured against the published KPIs, as well as wider qualitative criteria including in relation to ESG integration, risk management, compliance, internal controls and promotion of the Group's values and business principles.</p>
<p>D. 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.</p>	<p>The Board receives regular reports from the Manager in relation to engagement with its stakeholders, including shareholders, as part of an extensive investor relations programme. The Chairman and Senior Independent Director also meet and communicate directly with shareholders and share these insights with the Board. Shareholders are encouraged to attend the AGM, where the Manager presents on investment performance and strategy and there is an opportunity for shareholders to ask questions to the Board and the Manager.</p> <p>During the course of 2024, we continued to strengthen our marketing and investor relations capabilities, with the objective to effectively communicate and engage with all areas of our shareholder register and other key stakeholders.</p> <p>The new website launched this year (www.ritcap.com), provides shareholders with more accessible and comprehensive information on our business and approach, as well as key Company literature. Questions may be directed to the Board or the Manager, via the registered office or a dedicated email address (investorrelations@ritcap.co.uk) and throughout the year, the Manager's investor relations function has responded to a range of enquiries raised by shareholders.</p> <p>The Group also engaged with leading proxy advisors during the year as part of its ongoing monitoring of wider shareholder expectations, including with regards to ESG matters.</p>

AIC Code Principle	Application
<p>F. The Chairman 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 Chairman facilitates constructive Board relations and the effective contribution of all non-executive Directors, and ensures that Directors receive accurate, timely and clear information.</p>	<p>The Chairman encourages active participation at Board meetings, including setting the agenda items for discussion.</p> <p>The Board receives a comprehensive suite of regular information, including in-depth reports from the Manager on performance, attribution, transactions and exposures on a monthly and quarterly basis. The scheduled quarterly Board meetings include detailed reports on the finance and operational activities of the Manager and Group, including costs, liquidity, risk, investor relations, marketing, IT, regulatory, legal and compliance matters and HR. At these meetings, the Manager also provides a quarterly update on ESG. The Board can also request updates from the Manager on any matters at the various ad hoc meetings that are held, when required.</p> <p>Furthermore, Board meetings provide the opportunity for the chairs of each Committee to present a summary of the activities of their Committee, with minutes from the Committee meetings included in the Board papers.</p>
<p>G. 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.</p>	<p>The Board has delegated responsibility to key Committees, as well as engaging the Manager under a formal investment management and services agreement.</p> <p>The Board currently comprises an independent non-executive Chairman and seven non-executive Directors. Seven Directors (including the Chairman) were independent, and all were independent of the Manager, with a clear division of responsibilities between the Board and the Manager.</p> <p>As such, the Board considers that its decision making is not dominated by an individual or small group of individuals.</p>
<p>H. 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.</p>	<p>The Directors consider they have sufficient time to meet Board responsibilities. While there is a standing meeting timetable for the Board and Committees, the Directors participate in additional Board and Committee meetings as necessary. The Board and Committee meetings provide opportunities for detailed assessment of both the Manager's performance as well as reviewing performance of other key service providers.</p>
<p>I. 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.</p>	<p>The Manager provides company secretarial services to the Company and, together with external specialist advisors, ensures that Board procedures and applicable rules and regulations are observed. Such services also include advice and support to the Board on all governance matters and on the discharge of Directors' duties. Directors are able to take independent external professional advice to assist with the performance of their duties at the Company's expense.</p>

AIC Code Principle	Application
<p>J. 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 criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.</p>	<p>Appointments to the Board follow a careful process, led by the Nominations Committee who identify candidates to complement and enhance the collective skills, knowledge and experience of the Board. The Board’s Diversity and Inclusion Policy acknowledges the benefits of diversity of gender, social and ethnic backgrounds on the Board and these are key considerations for the Board’s succession planning. The current composition of the Board complies with the recommendations of the Parker Review, the FTSE Women Leaders Review and the FCA’s listing rules reporting requirements on diversity.</p>
<p>K. 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.</p>	<p>Directors’ varying backgrounds and wide-ranging experience, including in the investing world and financial services generally ensures broad cognitive diversity, which is viewed as key in assisting effective challenge and discipline and also provide effective strategic leadership and appropriate governance of the Company.</p> <p>The Board seeks to ensure an appropriate balance between continuity and experience, and the positive benefits from refreshing membership and the development of a diverse Board.</p>
<p>L. Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.</p>	<p>The 2024 annual evaluation included Directors completing bespoke questionnaires which assessed the performance and effectiveness of the Chairman, each Director, the Board collectively and each of its Committees. Each Director also completed a self-assessment questionnaire addressing their own performance.</p> <p>Lintstock subsequently conducted in-depth interviews with each Director. The surveys and the interviews were analysed to produce focused reports documenting the findings. The overall conclusion of the evaluation was positive with areas including the Board’s composition, the quality of Board support, including interaction with the Manager, and the performance of the Committees recognised as particular strengths. The evaluation identified some key priorities for 2025, including continuing to strengthen our communications and investor relations functions, and the ongoing implementation of our long-term investment strategy.</p> <p>In respect of its evaluation of its composition and diversity, the Board’s current composition complies with its own Diversity and Inclusion Policy, which includes meeting the gender and/or ethnic diversity recommendations of the Parker Review, the FTSE Women Leaders Review and the FCA’s listing rules reporting requirements.</p>

AIC Code Principle	Application
<p>M. 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.</p>	<p>The Board has delegated the assessment of the external audit function and the review of the integrity of the 2024 Annual Report and Accounts and 2024 Half-Yearly Financial Report to the Audit and Risk Committee. Ernst & Young LLP has been the auditor of the Group since 2018 and the Committee undertook an assessment of EY's performance in respect of the annual statutory audit of the Group for the year ended 31 December 2024, concluding that EY had performed satisfactorily.</p> <p>The Audit and Risk Committee also performs a detailed review of the financial statements contained in annual and half-yearly financial reports (, as well as reviewing supporting papers from the Manager, in order to ensure the integrity of the financial statements.</p>
<p>N. The Board should present a fair, balanced and understandable assessment of the Company's position and prospects.</p>	<p>The Audit and Risk Committee reviewed the financial and narrative statements within the 2024 Annual Report and Accounts and 2024 Half-Yearly Financial Report, as well as supporting papers and evidence from the Manager in relation to this area. The Committee concluded that these reports were consistent with the fair, balanced and understandable requirement and advised the Board accordingly. The Board considered the Committee's advice and its own review, before reaching the same conclusion.</p>
<p>O. The Board should establish procedures to manage risk, oversee the 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.</p>	<p>Day-to-day risk management is undertaken by the Manager and overseen by the Audit and Risk Committee which receives detailed reports twice a year on the risk management and internal control functions. The Group's system of internal controls is administered by the Manager, and designed to manage as far as possible the principal risks of the Company.</p>
<p>P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.</p>	<p>The Directors' Remuneration Policy was approved by shareholders at the 2023 AGM and is in accordance with the provisions of the AIC Code for non-executive Directors' remuneration. Directors receive fixed fees without any performance-related elements.</p> <p>The Remuneration Committee also has oversight of the remuneration policies and practices for Group employees, and seeks to ensure these are tied to the strategy and long-term sustainable success of the Company.</p>
<p>Q. A formal and transparent procedure for developing remuneration policy should be established. No director should be involved in deciding their own remuneration outcome.</p>	<p>Directors are paid on a fixed-fee basis, as recommended by the Remuneration Committee and approved by the Board. Such fees take account of the fees paid by other investment trusts and the advice of its independent remuneration consultant, Alvarez & Marsal.</p>

AIC Code Principle	Application
<p>R. Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of Company and individual performance, and wider circumstances.</p>	<p>Directors are remunerated on the basis of a flat standard fee supplemented by additional Committee membership and Chair fees. There are no performance-related aspects to Directors' remuneration.</p> <p>In the oversight of its Group employees' remuneration, Directors ensure that it is set by reference to the performance of the Company and individuals, relative to KPIs and individual objectives.</p>

In addition, as a self-managed investment trust, the Board has also considered the following principle from the UK Code:

UK Code Principle	Application
<p>E. The Board should ensure that workforce policies and practices are consistent with the Company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.</p>	<p>The Group's workforce, are subject to consistent standards of behaviour set out in an employee handbook and monitored by the Manager.</p> <p>All employees are expected to adhere to a standard of conduct based on respect, courtesy and dignity, adhering to the highest ethical standards. The employee handbook also contains policies on inclusion and equal opportunities, anti-harassment/discrimination/bullying, dignity at work, anti-corruption, whistleblowing, conflict management and the environment.</p> <p>Well-established whistleblowing procedures are in place in which employees have available direct lines of communication to the Senior Independent Director and the Chair of the Audit and Risk Committee. More generally, our culture seeks to encourage honest and open communication across the Group.</p>