

MOBEUS INCOME & GROWTH 4 VCT PLC

Table of compliance with the Corporate Governance Code of the Association of Investment Companies ("the AIC Code")

The table below shows how the Company has complied with the AIC Code throughout the year ended 31 December 2020.

AIC Code of Corporate Governance 2019 Principle		Compliance and/or departure from the AIC Code in the year ended 31 December 2020
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. (Incorporates relevant content from UK Code Principle A)	<p>The Board meets at least quarterly with to assess the Company's performance, viability and value over the short, medium and long term. It defines, evaluates and ranks its major risks to continued success and describes them within its Principal Risks table published as part of its Annual Report, alongside its Investment Policy and objectives.</p> <p>The effectiveness of the Board and the Chairman is reviewed regularly as part of the internal control process led by the Audit Committee.</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. (UK Code Principle B)	<p>The Board has, since 2012, held an annual strategy meeting during which it can discuss important issues faced by the Company and the industry, and exchange ideas about the future outlook of the business. The Board agrees a strategy and monitors performance against this agreed strategy on an ongoing basis.</p> <p>The Board formally evaluates its own performance on an annual basis at its year end Board meeting, usually taking place in March.</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. (UK Code Principle C)	<p>The Board considers that it is adequately resourced to meet its objectives and is satisfied that it is able to effectively measure its performance against them.</p> <p>The Board has established a schedule of internal controls and key risks, which enable it to plan, measure and manage how it mitigates threats to its performance, and prioritises its resources in doing so. These schedules are reviewed twice a year by its Audit Committee.</p> <p>The Investment Adviser also reports to the Board on the Company's performance when measured against its industry peers at each Board meeting, from which the Board is able to determine whether or not its performance is satisfying, and what actions, if any, are needed to make improvement.</p>

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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. (UK Code Principle D)	<p>The Board has a duty to promote the success of the Company and to ensure that its obligations to Shareholders are met. The Company communicates with Shareholders and solicits their views where it is appropriate to do so.</p> <p>The Board approves the circulation of the Half-Year and Annual Report and Financial Statements to Shareholders. Shareholders are welcome at the Annual General Meeting which provides a forum for Shareholders to ask questions of the Directors and the Investment Adviser and to discuss issues affecting the Company with them. The Investment Adviser also organises an annual shareholder event, which the Board attends to listen to any views that Shareholders may have and answer any questions about the Company. The Company has established its own website which is a dedicated section of the Investment Adviser's website.</p>
E	Not applicable	Not applicable
F	The chair 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 chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information. (UK Code Principle F)	<p>The effectiveness of the Board and the Chairman is reviewed regularly as part of the internal control process led by the Audit Committee. The Board carried out a performance evaluation review in respect of the year ended 31 December 2020. As part of their review, the Directors considered the performance of each of the Directors and of the Board as a whole in relation to specific areas of their activity. The performance of the Chairman was assessed separately. The Board as a whole discussed the outcome of the performance evaluation, and led by the Chairman, considered and agreed a plan of action to rectify any shortfalls where appropriate. The Board concluded that the performance of the Board, the Chairman and the Directors remained effective, and that directors had received accurate, timely and clear information.</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. (Incorporates relevant content from UK Code Principle G)	<p>The Board believes that there is a diversity of skill, gender, experience and approach amongst the Board members, each of whom are non-executive directors. Both the Board and the Nomination and Remuneration Committee give careful consideration to issues of board balance and diversity when considering board composition and appointments. Details of each Director's experience and background is set out in the Annual Report.</p>

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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. (Incorporates relevant content from UK Code Principle H)	<p>The Board make declarations of their own potential conflicts of interest and external engagements on an ongoing basis. They are asked to evaluate the amount of time committed in their external roles to ensure that they remain able to carry out all their required duties to the Company.</p> <p>The Board meet quarterly to discuss the Company's activities with the Investment Adviser. They also appoint an Investment Committee to consider all investment decisions before recommending them to the Board for approval. In these cases, the Board have the opportunity to provide constructive challenge and strategic guidance of both the Company and its service providers' performance and methods through direct communication with the Investment Adviser.</p> <p>The Board carries out a formal review of both the Investment Adviser and its service providers' performance on an annual basis.</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. (UK Code Principle I)	Mobeus Equity Partners LLP is appointed as the Company Secretary for the Company. The Company Secretarial team at Mobeus works in close communication with the Board, providing regular updates on matters for their consideration. This includes regulatory and compliance matters that require action or decision. The Board agrees policies in alignment with the advise of the Investment Adviser and Company Secretary so as to ensure the Company remains equipped to operate efficiently and with an awareness of best practice as both industry and regulation develop over time.
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. (Incorporates relevant content from UK Code Principle J)	<p>The Nomination and Remuneration Committee is responsible for proposing candidates for appointment to the Board and for overseeing the recruitment process. The Committee comprises a majority of independent directors.</p> <p>A new Chairman was appointed to the Board in 2020 as per the succession plan agreed in 2019. The Nomination & Remuneration Committee presented recommendations to the Board for the appointment of a new Chairman, Jonathan Cartwright, to succeed Christopher Moore following a brief handover period. The Committee considers diversity and equality in its recruitment of any new director, and promotes appointments based on merit, with a focus on identifying and seeking the required skills, expertise and experience that is needed to supplement the existing Board.</p>

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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. (UK Code Principle K)	<p>The Board conducts an annual review of its performance and that of its individual directors.</p> <p>The Board believe that there is a diversity of skills, gender, experience and approach amongst the Board members. Both the Board and Nomination and Remuneration Committee give careful consideration to issues of board balance and diversity when considering board composition and appointments. Details of each Director's experience and background are set out in the Annual Report and Financial Statements.</p> <p>The Board considers the length of service of its directors on an ongoing basis, with the Nomination & Remuneration Committee giving consideration to succession and composition at its year end meeting, usually held in March.</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. (UK Code Principle L)	<p>The Board conducts an annual review of its performance and that of its individual director at its year end meeting, usually held in March.</p> <p>During this, evaluation, consideration is given to the effectiveness of the Boards current methods of working, both with itself, and with the Investment Adviser. Practical issues are highlighted and a collaborative approach is used with the Investment Adviser to seek improvement in areas where it is deemed to be beneficial.</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. 4 (Incorporates relevant content from UK Code Principle M)	<p>The Board has established an Audit Committee tasked with monitoring the integrity of financial statements of the company, conducting a tender process for the external auditor and making recommendations for the appointment of an external auditor. The Committee reviews the external auditor's independence and objectivity, with a final review and recommendation for the proposal to Shareholders of its reappointment taking place at its year end meeting, usually held in March.</p> <p>The Committee consists of three directors, consisting of a majority of independent non-executive directors. The Chairman of the Audit Committee is a Chartered Accountant. Although one of its members, Helen Sinclair, is considered to be non-independent, the Board is of the belief that a committee of three members provides the necessary balance and diversity of opinion required to achieve an objective assessment.</p>

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N	The Board should present a fair, balanced and understandable assessment of the company's position and prospects. (UK Code Principle N)	<p>The Board considers a report from the Investment Adviser at each of its quarterly meetings which provides information on the performance of each of the investments in the portfolio, recent or forthcoming corporate actions at any of the investee companies and other matters related to the portfolio. The Board monitors the investments made by the Investment Adviser to ensure they are in line with the Company's Investment Policy. The Board also considers peer group performance, asset allocation and wider industry and economic issues in reviewing investment performance and strategy. In addition, the Board monitors financial and other internal controls including maintenance of VCT status and the level of share price discount or premium.</p> <p>In light of this information provided by the Investment Adviser and its other professional advisers, the Board formally reviews and discusses all its communications with Shareholders, particularly within its Half-Year and Annual Reports to ensure that it is presenting an informed, transparent, fair, balanced and understandable assessment of the Company's position and prospects to its Shareholders.</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. (UK Code Principle O)	<p>The Board has established a schedule of internal controls and key risks, which enable it to plan, measure and manage how it mitigates threats to its performance, and prioritises its resources in doing so. These schedules are reviewed twice a year by its Audit Committee.</p> <p>The Board monitors performance against its agreed strategy on an ongoing basis and reviews its overall strategy at its annual strategy meeting.</p> <p>From this, the Board reviews and defines the Company's Principle Risks, which are then published and explained, along with information on associated mitigation measures, alongside the Company's key policies in the Strategic Report within the Company's Annual Report and Financial Statements.</p>
P	Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. (Incorporates relevant content from UK Code Principle P)	<p>The Nomination and Remuneration Committee formally considers the remuneration of the Directors annually and makes recommendations to the Board. The Board reviews its Remuneration Policy on a 3-year basis to ensure that it remains appropriate and effective in enabling the Company to deliver its long-term strategic aims. It ensures that the Policy does not conflict with any of its key policies and objective. The Company seeks Shareholder approval of its Remuneration Policy by resolution at the Annual General Meeting on a 3-year basis.</p> <p>The Board must be satisfied that the remuneration of the directors is aligned to the Company's Remuneration Policy.</p>

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Q	A formal and transparent procedure for developing policy on remuneration should be established. No director should be involved in deciding their own remuneration outcome. (Incorporates relevant content from UK Code Principle Q)	<p>The Nomination and Remuneration Committee formally considers the remuneration of the Directors annually and makes recommendations to the Board. The Committee reviews industry standards with regards to directors' remuneration to ensure that the level of remuneration remains appropriate and competitive so as to ensure that it is able to attract and maintain the level of experience and expertise required for an effective Board. The Board must be satisfied that the remuneration of the directors is aligned to the Company's Remuneration Policy.</p> <p>The Company publishes a Directors' Remuneration report which provides a detailed breakdown of directors' level of remuneration for both the forthcoming year and the year in review, in its Annual Report & Financial Statements which is published and available for public inspection. The Company seeks Shareholder approval of its Remuneration Policy by resolution at the Annual General Meeting on a 3-year basis.</p> <p>For further details, see the Annual Report and Financial Statements.</p>
R	Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances. (UK Code Principle R)	<p>The Nomination and Remuneration Committee considers the remuneration of the Directors annually and makes recommendations to the Board. One of the main tenets of the Company's Remuneration Policy is that directors' fees should take account of the workload and responsibilities of each and the value and amount of time that each Director is required to commit to the Company. For further details, see the Annual Report and Financial Statements.</p>