

Guernsey Financial Services Commission
Finance Sector
Code of Corporate Governance - September 2011 (“CCG”)
Summary of the Extent of Adherence

Licensee Name: **Seed Innovations Limited**

Date Considered **14th July 2021**

At a Board meeting held on 14th July 2021, the Directors of **Seed Innovations Limited** (the “**Company**”), in accordance with the provisions of the CCG and taking into account the size, nature and complexity of the Company’s business, considered, reviewed and reaffirmed the adoption of procedures to ensure compliance with the CCG relating to the following matters in respect of the Company’s operations as at the date of the meeting. The CCG was implemented in January 2012. When completing this form, the Directors have referred to the full text of the CCG to ensure that their answers to the questions posed are accurate.

GFSC has implied that ALL corporate entities doing business in and from Guernsey, not just those in the regulated sectors can evaluate and improve their governance.

All companies which hold a licence from the GFSC under the regulatory laws which are registered or authorised as collective investment schemes are covered by the Code, but not partnerships.

Confirmation of the following is indicated by a “Y” as appropriate. Where confirmation cannot be given, an “X” is indicated and an appropriate explanation is included at the end of the relevant section. Where an item is not applicable it is indicated by “N/A”.

	BOARD RESPONSE	COMMENT
<p>Companies which report against the UK Corporate Governance Code or the Association of Investment Companies Code of Corporate Governance are deemed to meet this Code.</p> <p>Does the Company report against the UK Corporate Governance Code of the Association of Investment Companies Code of Corporate Governance and therefore meet the Code?</p> <p><i>If yes, the Company is deemed to meet the Code and the Board decides whether to complete the checklist or the Chairman sign the checklist.</i></p>	NO	

CCG PRINCIPLE NO AND DETAIL

BOARD RESPONSE

COMMENT

1. THE BOARD

Companies should be headed by an effective Board of directors (“the Board”) which is responsible for governance.

1.1 Governance structure

Has the Board a clear governance structure which reflects the demands and complexities of the company’s business environment, strategy, company values, standards, risk appetite, internal controls and key policies?

YES

The Board is appointed and holds office in accordance with the company’s Articles of Incorporation. The company is administered in accordance with its memorandum and articles of association and operates in accordance with Protection of Investors legislation as well as other applicable GFSC regulations.

1.2 Central role of the Chairman

Has a Chairman been elected for each meeting of the Board where there is no standing Chairman?

YES

A Chairman is elected for each meeting of the Board from among the directors present but not if they are attending from the UK

1.3 Balance and composition of the Board

Does the Board comprise of an appropriate balance of skills, knowledge and competence, taking into account its members’ relevant experience, such that the Board as a whole is able to discharge its duties and responsibilities effectively and that no individual or group of individuals can or does unduly dominate the Board’s decision making?

YES

The Directors have substantial experience in the finance and Investment industry along with those sectors which are the focus of the Company’s investing policy. The Board consists of two executive directors and two non-executive directors, of whom one is wholly independent. The Company considers the composition and balance of the Board to be appropriate to the size and activities of the company’s business.

1.4 Committees of the Board

Does the Board retain ultimate responsibility for the actions of committees, with such committees being under an obligation to report back to the Board?

YES

1.5 Delegation to management

Has the Board ensured that a clear and sufficient senior management structure is in place and determined the powers and duties entrusted to management to enable them to perform their duties effectively?

N/A

This is a self-managed board

1.6 Board meetings

Has the Board met sufficiently often to ensure that it has fully discharged its duties in an effective manner?

YES	The Board convenes a meeting at least three times a year and holds additional meetings as and when necessary. A record of meetings and director attendance is made by the company secretary.
-----	--

2. DIRECTORS

Directors should take collective responsibility for directing and supervising the affairs of the business.

2.1 Directors' duties

Have the Directors dutifully operated in accordance with all relevant legislation and within a structured framework of specified responsibilities suitable for the Company?

YES	The Directors are familiar with applicable statutes, rules, regulations and guidance and are assisted by the compliance team of the company secretary as well as the company's legal counsel from time.
-----	---

2.2 Legislation and regulation

Have the Directors dutifully been conversant with applicable legislation, regulation, policy, rules, instructions, guidance and codes of practice to an appropriate level to enable them to discharge their responsibilities?

YES	See 2.1 above
-----	---------------

2.3 Strategy

Have the Directors taken responsibility for the Company's strategy and key policies?

YES	In accordance with the Company's Investment Policy Guidelines
-----	---

2.4 Appointment, induction and re-appointment of directors

Has the Board deemed it is appropriate that there should be a procedure for scrutinising nominations for the appointment of new directors to the Board and a suitable induction programme provided to new appointees?

YES	When new directors are to be appointed, they will be considered by the directors for suitability. Any director must be suitable and approved by both the GFSC and the Company's nominated advisor. Directors will be provided with the company's constitutional documents and briefed on the company's operations and strategy. The Company will ensure that the Board will provide any new Director with a full, formal and tailored induction on joining the Board.
-----	---

If yes, is there an approved procedure in place?

No formal plan	
----------------	--

Is the Board satisfied that plans are in place for the orderly succession of its members?

YES	
-----	--

2.5 Commitment

Have any new directors been appointed to the Board?

NO	
----	--

If yes did the new director(s) confirm to the Board that they have sufficient understanding and time available to discharge their duties effectively, taking into account the number and importance of their other commitments?

N/A	
-----	--

Has the Board agreed a procedure for the disclosure and monitoring of Directors' commitments to establish if they are allocating sufficient time to the discharge of their duties?

NO	As part of the interview process
----	----------------------------------

If yes, has the Board reviewed and determined that all members are allocating sufficient time to the discharge of their duties?

N/A	
-----	--

2.6 Provision of information and support for the Board

Has the Board been supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties, facilitate decision making and allow for effective monitoring and control of company performance?

YES	Full Board packs are provided for each scheduled Board meeting. These would include, at a minimum, minutes of previous meetings, action points, and compliance reports, and investment management reports. An agenda is prepared and adhered to for each meeting. The Directors may take independent professional advice. The Directors also have access to the advice and services of the Company Secretary through its appointed representatives.
-----	---

2.7 Performance evaluation

The Board should regularly evaluate the performance of its members and the effectiveness of its actions

Has the Board agreed to evaluate the performance of its members regularly?

YES	The Board informally self-assesses on an ongoing basis. The Board has determined that there is no requirement for formal assessment in light of the size and nature of the company's activities.
-----	--

If yes, has a procedure been agreed?

NO	
----	--

If yes, have evaluations been conducted in accordance with the agreed procedure?

N/A	
-----	--

2.8 Training and development

All directors should regularly update and refresh their skills and knowledge.

Has a procedure been agreed by the Board for the disclosure of Directors' training and development?

NO	Each Director takes responsibility for their own continued professional development.
----	--

Have all the directors regularly updated and refreshed their skills and knowledge?

YES	
-----	--

3. BUSINESS CONDUCT AND ETHICS

All directors should maintain good standards of business conduct, integrity and ethical behaviour and should operate with due care and diligence and at all times act honestly and openly.

3.1 Conflicts, policy and standards

Has the Board established, implemented and maintained an effective conflicts of interest policy which sets out standards of expected behaviour, including, amongst other matters, the treatment of any non-compliance with the policy?

YES	The Board adheres to the conflicts of interest requirements of Guernsey's regulations as applicable, the Companies (Guernsey) law, 2008, as amended, and the company's articles of incorporation.
-----	---

3.2 Conflicts of interest

Have the Directors dutifully avoided, managed or minimised conflicts of interest and, wherever possible, arranged their personal and business affairs so as to avoid direct and indirect conflicts of interest?

YES	All conflicts or potential conflicts are disclosed as and when required and managed as appropriate in accordance with the policy. Directors' declaration of interests at every meeting.
-----	---

Have all actual or potential conflicts of interest been declared to the Board in accordance with legislation and dealt with in accordance with the company's memorandum and/or articles of incorporation or other constitutional documents, or by the other directors as they consider appropriate?

YES	Any such transactions would place on an arms' length basis and be disclosed as appropriate. Generally, a director would not participate in a discussion if he were personally conflicted.
-----	---

3.3 Self dealing

Have all transactions between the Company and its Board members taken place at arms' length?

YES	Any such transactions would place on an arms' length basis and be disclosed as appropriate. Generally, a director would not participate in a discussion if he were personally conflicted.
-----	---

Were any transactions between the Company and its Board members been disclosed in detail at a Board meeting before the Board considers the transaction?

N/A	
-----	--

If yes did the conflicted directors consider abstaining from participating in the decision?

N/A	
-----	--

3.4 Duty to the company

Directors have a fiduciary duty to act in the best interests of the Company.

Were all actions resolved by the Board to have been in the best interests of the Company?

YES	Acknowledged and understood and evidenced through the minutes.
-----	--

4. ACCOUNTABILITY

The Board should have formal and transparent arrangements in place for presenting a balanced and understandable assessment of the company's position and prospects and for considering how they apply financial reporting and internal control principles.

4.1 Strategic business management

Has the Board demonstrated its responsibility for overseeing the Company's objectives and business plans?

YES	The Board reviews the company's business at each of its regular meetings and such discussions are minuted.
-----	--

4.2 Group policies

Is the Company a member of a group? If yes, has the Board of the Company review group policies and assessed their relevance and applicability to the Company's business and the legal and regulatory environment in which the Company operates?

NO	The Board reviews and approves financial statements provided by the company's accountants and has appointed an independent auditor.
----	---

4.3 Financial reporting

Has the Board demonstrated its responsibility for the integrity of the company's financial statements and any other formal information relating to its financial performance, as well as any other statutory information required?

YES	
-----	--

4.4 Internal control systems

Has the Company maintained a sound system of internal control to safeguard the Company's assets and to manage risk, and regularly reviewed such controls?

YES	
-----	--

4.5 Audit and auditors

Has the Board established formal and transparent arrangements for considering how they apply financial reporting principles and for maintaining an appropriate relationship with the company's auditor?

YES	Audit committee meets auditor to receive audit plan and at meeting to approve annual accounts. Audit committee chairman also communicates with the auditor during the audit on progress and any issues arising
-----	--

4.6 Performance monitoring

Has the Board determined and ensured that relevant monitoring criteria of the Company's performance are in place and regularly evaluated their effectiveness?

YES	The board reviews NAV every half year
-----	---------------------------------------

4.7 Outsourced functions

Has the Board retained responsibility and accountability for all material outsourced functions?

YES	Annual reviews are conducted.
-----	-------------------------------

4.8 Annual business reviews

Has the Board at least annually undertaken a review of the Company's business activities and future prospects to an extent appropriate to the current and proposed activities of the Company?

YES	Recommendation complied with. Next review is scheduled for 14 th July 2021.
-----	--

5. RISK MANAGEMENT

The Board should provide suitable oversight of risk management and maintain a sound system of risk measurement and control.

5.1 Responsibility for risk

Has the Board maintained overall responsibility for the risk management of the Company?

YES	
-----	--

Does the Company support and be supported by a senior executive of the Company who has responsibility for assessing and managing risk?

The company has executive directors who monitor risk	The Board relies upon the service providers to manage operational risk and for assessing as appropriate. The Board acknowledges its responsibilities within the confines of its operational structure
--	--

5.2 Risk strategy and policy

Has the Board determined the Company's risk appetite and tolerance and developing policies, procedures and controls for identifying, evaluating and managing all significant risks faced by the Company?

YES	The company considers its risks on an ongoing basis.
-----	--

5.3 Risk reviews

Has the Board undertaken at least annually a review of the effectiveness of the Company's risk management, and related policies, procedures and controls?

YES	Board review Reports received from the Company Secretary for any issues that occur outside of Board meetings these are considered by the directors
-----	--

5.4 Contingency planning and testing

Does the Company have in place properly constructed business continuity and contingency plans to safeguard against disruption of their operations and services and to mitigate risk?

YES	The Board relies upon the business continuity arrangements of its service providers and is aware that these plans are in place and are effective. The Covid-19 pandemic and resultant 'lock-down' has demonstrated the effectiveness and adequacy of these plans, with no adverse effects being noted to the performance of the Company.
-----	--

If yes, has the Board reviewed these plans at least annually?

YES	
-----	--

6. DISCLOSURE AND REPORTING

Have all material matters concerning the Company been disclosed timely and balanced to shareholders and/or to regulators?

YES	
-----	--

6.1 Statutory disclosure and regulatory reporting

Has all information required by applicable rules, regulations and codes been made available and all statutory and regulatory reporting deadlines met?

YES	The company relies upon its company secretary to ensure that all statutory disclosures and reports are made in a timely fashion confirmed through its reporting. In addition, board members have direct experience of regulation codes etc. to oversee the company secretary's actions.
-----	---

7. REMUNERATION

The Board should ensure remuneration arrangements are structured fairly and responsibly and that remuneration policies are consistent with effective risk management.

7.1 Remuneration policy

Has the Board set and reviewed a remuneration policy?

YES	
-----	--

If yes does the policy have regard for Company and individual performance, and avoid creating incentives that encourage excessive risk taking?

YES	
-----	--

7.2 Levels of remuneration

Are the levels of remuneration sufficient to attract, retain and motivate individuals of the quality required to manage and run the Company successfully?

YES	Remuneration of directors is considered on an ongoing basis.
-----	--

Does the remuneration of non-executive directors reflect the time commitment and responsibilities of the role?

YES	
-----	--

8. SHAREHOLDER RELATIONS

The Board should ensure that satisfactory communication takes place with shareholders and is based on a mutual understanding of needs, objectives and concerns.

8.1 Communication

Does the Company have in place an appropriate communications strategy with shareholders (and other third parties)?

YES	Extensive, including the appointment of an external PR firm since the last review.
-----	--

Has information provided to shareholders been adequate to enable them to make informed decisions?

YES	Via the website and stock exchange announcements
-----	--

8.2 Rights of shareholders

Has the Board ensured that facilities are made available for shareholders to exercise their rights?

YES – AGM's	The Board complies with the requirements of the Companies Law and the company's articles of incorporation, which, it is considered, provide adequate protection for shareholders.
-------------	---