

The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and, as required by the Listing Rules of the UK Listing Authority, this statement describes how the Company has applied the principles identified in the UK Corporate Governance Code (published in April 2016) for the year ended 31 December 2018. The UK Corporate Governance Code is available on the Financial Reporting Council's website: [www.frc.org.uk](http://www.frc.org.uk).

### The AIC Code

The Board of Murray International Trust PLC has considered the principles and recommendations of the AIC Code of Corporate Governance (AIC Code) by reference to the AIC Corporate Governance Guide for Investment Companies (AIC Guide). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues which are of specific relevance to the Company. Both the AIC Code and the AIC Guide are available on the AIC's website: [www.theaic.co.uk](http://www.theaic.co.uk).

The Company has complied throughout the accounting period with the relevant provisions contained within the AIC Code and the relevant provisions of the UK Corporate Governance Code except as set out below.

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration;
- and the need for an internal audit function.

For the reasons set out in the AIC Code, and as explained in the UK Corporate Governance Code, the Board considers that these provisions are not relevant to the position of the Company, being an externally-managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

	AIC Code Principle	How the principles are applied
<b>BOARD</b>		
<b>1</b>	<b>The Chairman should be independent</b>	<p>Dr Carter has served on the Board as a Director since April 2009 and was appointed Chairman in 2011. The roles of Chairman and senior independent Director are separate.</p> <p>The Board formally reviews the Chairman each year. The Board is satisfied that Dr Carter who, in common with the other Directors, stands for annual re-election, continues to be independent in character and judgement and it recommends that shareholders support his re-election.</p> <p>The Chairman is responsible for leading the Board, ensuring its effectiveness on all aspects of its role and is responsible for ensuring that all Directors receive accurate, timely and clear information.</p>
<b>2</b>	<b>A majority of the Board should be independent of the Manager</b>	<p>The Board comprises six non-executive Directors and the independence of the Directors is reviewed annually. All the Directors are considered by the Board to be independent of the Manager and free from any material relationship with the Manager. The Board considers that there was an independent majority, during the year under review and up to the date of this statement, which will</p>

		<p>continue to be able to act independently of the Manager.</p> <p>Dr Carter was appointed to the Board on 23 April 2009 and enters his eleventh year on the Board. In view of his extensive business experience, the Board believes his continued appointment enhances and does not compromise his contribution to the Board and its Committees and accordingly, is satisfied that his independence will not be compromised by the length of his tenure.</p>
3	<p><b>Directors should be submitted for re-election at regular intervals. Nomination for re-election should not be assumed but be based on disclosed procedures and continued satisfactory performance.</b></p>	<p>New Directors stand for re-election at the first AGM following their appointment and thereafter all Directors submit themselves for re-election at least every three years in accordance with the AIC Code. In practice, the whole Board retires annually and each Director submits themselves for re-election at each AGM. Recommendation for re-election is based on the continuing effectiveness of the Director established through an annual evaluation of the Board and individual Directors. The evaluation is conducted by way of a questionnaire which is followed up by discussion between the Directors.</p>
4	<p><b>The Board should have a policy on tenure, which is disclosed in the annual report</b></p>	<p>The Directors review the composition of the Board and its committees annually. All Directors are subject to annual re-election. There is no pre-set criterion for retirement based on length of service as the Board believes that recommendation for re-election should be on an individual basis following a rigorous review which assesses the contribution made by the Director concerned.</p>
5	<p><b>There should be full disclosure of information about the Board</b></p>	<p>The biographical details of the Directors, as set out on pages 30 to 32 of the Annual Report, demonstrate the wide range of skills and professional experience that they bring to the Board.</p> <p>Details of the audit, management engagement, nomination and remuneration committees are set out pages 35 and 36 of the Annual Report.</p> <p>The terms of reference of the Board Committees, copies of which are available on the Company's website and upon request, are reviewed and re-assessed for their adequacy on an annual basis.</p>
6	<p><b>The Board should aim to have a balance of skills, experience, length of service and knowledge of the Company</b></p>	<p>The Nomination Committee conducts annually a review to enable the Board to identify any skill shortages. When seeking to recruit, the Committee identifies a specification for any new Director including the requisite skills and experience that would complement the existing Board and having due regard for the benefits of diversity on the Board.</p> <p>Possible new Directors are identified against the requirements of the Company's business and the need to have a balanced Board. Every Director is entitled to receive appropriate training as deemed necessary. A Director appointed during the year is required, under the provisions of the Company's Articles of Association, to retire and seek election by shareholders at the first subsequent AGM. The Articles of Association require that one third of the Directors retire by rotation at each AGM and that Directors are required to submit themselves for re-election at least every three years. In practice and</p>

		in compliance with best practice the whole Board submits itself for annual re-election at the AGM. The Board is supportive of the principle of diversity.
7	<b>The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors</b>	<p>The Board conducts an annual appraisal of the Chairman as well as an appraisal and performance evaluation of the Board as a whole and of its Committees. The appraisals are carried out by way of a detailed questionnaire, the summarised results of which are then reviewed and discussed by the Directors. The last external evaluation was conducted by Stephenson &amp; Co an independent consultant in 2018.</p> <p>The Board also reviews the other commitments of the Chairman and Directors and is satisfied that the Chairman and other Directors are capable of devoting sufficient time to the Company.</p>
8	<b>Director remuneration should reflect their duties, responsibilities and the value of their time spent</b>	<p>The Remuneration Committee each year reviews the fees paid to the Non-Executive Directors and compares these with the fees paid by the Company's peer group and the investment trust industry generally, taking into account the level of commitment and responsibility of each Board member.</p> <p>When assessing the appropriate level of remuneration of the Directors, the Committee considers the relative complexity of the Company's increasingly regulated environment in which investment trusts operate.</p> <p>Detailed information on the remuneration arrangements for the Directors of the Company can be found in the Directors' remuneration report on pages 40 to 42.</p> <p>Dr Carter is not a member of the Remuneration Committee.</p>
9	<b>The independent Directors should take the lead in the appointment of new Directors and the process should be disclosed in the annual report</b>	The Nomination Committee considers the criteria for future Board appointments and the methods of recruitment, selection and appointment including whether to engage the services of an external recruitment provider. All members of the Committee are independent.
10	<b>Directors should be offered relevant training and induction</b>	<p>Newly appointed Directors are provided with a full induction programme by the Manager. This includes the provision of information on the Company's investment strategy together with policies and practices. On an ongoing basis, Directors are given key information on the Company's regulatory and statutory requirements as they arise including information on the role of the Board, matters reserved for its decision, the terms of reference for the Board Committees, the Company's corporate governance practices and procedures and the latest financial information.</p> <p>It is the Chairman's responsibility to ensure that the Directors have sufficient knowledge to fulfil their role and Directors are encouraged to participate in training courses where appropriate.</p>

11	<b>The Chairman (and the Board) should be brought into the process of structuring a new launch at an early stage</b>	This principle does not apply to the Company as it is a long established investment company.
<b>BOARD MEETINGS AND RELATIONS WITH THE INVESTMENT MANAGER</b>		
12	<b>Boards and Managers should operate in a supportive, co-operative and open environment</b>	The Board met formally six times in the year, when representatives of the Manager formally reported to the Board. Representatives of the Manager and the company secretary attended each Board meeting as well as certain committee meetings. The Board maintains regular contact with the company secretary and Manager between meetings. The Chairman encourages open and constructive debate to foster a supportive and co-operative approach for its own meetings and for those with its Manager. There is a clear division of responsibility between the Chairman, the Directors, the Manager and the Company's other third party service providers. No one individual has unfettered powers of decision.
13	<b>The primary focus at regular Board meetings should be a review of investment performance and associated matters, such as gearing, asset allocation, investor relations, peer group information and industry issues.</b>	<p>The Board sets the investment parameters within which the Investment Manager operates. Investment performance and associated matters, such as gearing, asset allocation, investor relations, peer group information and industry issues are agenda items at each board meeting. The Investment Manager ensures that the Board receives all relevant management and financial information in a timely manner. Representatives of the Investment Manager attend Board meetings where performance against the Company's investment objectives, portfolio risk and attribution analysis is reviewed.</p> <p>Directors are provided with a comprehensive set of papers giving detailed information on the Company's transactions and financial position prior to each meeting and all Directors have timely access to all relevant management, financial and regulatory information.</p>
14	<b>Boards should give sufficient attention to overall strategy</b>	The Board regularly reviews the objectives and strategy for the Company, including the management and investment objectives together with the promotional and shareholder communication strategies implemented by the Manager.
15	<b>The Board should regularly review both the performance of, and contractual arrangements with, the Manager.</b>	<p>The Management Engagement Committee reviews the performance of the Manager and the Investment Manager (to whom investment management has been delegated) together with the key terms of the management agreement annually. The Investment Manager reports to the Board at each Board meeting. Further details of the activities of the committee are set out in the Directors' Report on page 35 of the Annual Report.</p> <p>The Management Agreement (MA) was entered into after full and proper consideration by the Board of the quality and cost of services offered including the financial control systems in operation in so far as they relate to the affairs of the Company.</p>
16	<b>The Board should agree policies with the Manager covering key</b>	The management agreement includes investment guidelines and setting policies to cover key operational issues. The Board discusses operational matters regularly with the Manager, including as

	<b>operational issues</b>	corporate governance and voting in respect of portfolio holdings, performance reporting terminology. The Board has delegated discretion to the Manager to exercise voting powers on its behalf but reviews the Manager's policy in this respect. All policies are reviewed at least annually.
17	<b>Boards should monitor the level of the share price discount or premium (if any) and, if desirable, take action to reduce it</b>	<p>The share price and NAV per share is reported on a daily basis and monitored on the Board's behalf. The Board considers the discount to ex income NAV of the Company's share price at every Board meeting and more frequently if circumstances demand. The Board may use share repurchases and new share issuance to help address imbalances in the demand for the Company's shares. The Company has taken powers to issue new shares and repurchase shares so that it may take action where necessary. Any issue or repurchase programme is considered by the Board in consultation with the Manager, taking account of:</p> <ul style="list-style-type: none"> <li>• The investment mandate and objective;</li> <li>• The effectiveness of promotion and shareholder communication strategies;</li> <li>• Measures of investor sentiment; and</li> <li>• The number and position of comparable trusts in the Company's peer group.</li> </ul>
18	<b>The Board should monitor and evaluate other service providers</b>	<p>The Audit and Management Engagement Committees review and evaluate regularly the performance of the Company's third-party providers, including the level and structure of fees payable and the length of the notice period, to ensure that they remain competitive and in the best interests of shareholders. The Board assesses their performance based on reports by such third party providers to the Board. The Manager also reports regularly on its evaluation and monitoring of third party service providers.</p> <p>The Committee also considers if the independent auditor carries out any work for the Manager and, if applicable, ensures that any potential conflicts are satisfactorily resolved.</p>
<b>SHAREHOLDER COMMUNICATIONS</b>		
19	<b>The Board should regularly monitor the shareholder profile of the Company and put in place a system for canvassing shareholder views and for communicating the Board's view to shareholders</b>	Regular reports are submitted to the Board by the Manager and the Company's broker. A regular dialogue is maintained with the Company's institutional shareholders and private client asset managers. Representatives of the Board and the Manager met with shareholders during the course of the year to understand their issues and concerns which were then discussed at Board meetings. All shareholders are encouraged to attend the AGM, where they are given the opportunity to question the Chairman and the Board.
20	<b>The Board should normally take responsibility for, and have direct involvement in, the content of communications regarding major</b>	The Manager discusses with the Board all substantive communications regarding corporate issues and may be authorised to act as spokesman for the Company. The Manager also discusses with the Board relevant promotional material that it is proposing to issue.

	<b>corporate issues even if the Manager is asked to act as spokesman</b>	
21	<b>The Board should ensure that shareholders are provided with sufficient information for them to understand the risk/reward balance to which they are exposed by holding the shares</b>	<p>The Company's investment objective and policy is published in the Annual Report and on its website.</p> <p>The Board agrees a budget with the Manager every year for the Company's participation in the Aberdeen investment trust promotional programme. The Company places great importance on communication with shareholders and aims to provide shareholders with a full understanding of the Company's activities and performance by means of informative Annual and Half Year reports. This is supplemented by the daily publication, through the London Stock Exchange, of the Net Asset Value of the Company's shares.</p> <p>The Company's website, <a href="http://murray-intl.co.uk">murray-intl.co.uk</a>, offers easy access to up-to-date information on the Company. It is regularly updated with monthly factsheets and enables investors to view the Company's Financial Reports and Announcements and useful information on portfolio assets and performance.</p> <p>Further details on the principal risks are set out in the Strategic Report on pages 16 and 17. The Twenty Largest Holdings in the Portfolio are listed on pages 22 and 23 and the full portfolio listing is published monthly on the Company's website.</p>

#### Disclosure & Transparency Rules (DTRs)

The following further information is disclosed in this statement in accordance with the Companies Act and DTR 7.2.6:

- The Company's capital structure and voting rights are summarised below;
- Details of the substantial shareholders in the Company are listed on page 34 of the Annual Report;
- The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and are summarised on page 34 of the Annual Report;
- Amendment of the Company's Articles of Association and powers to issue or buy back the Company's shares require a special resolution to be passed by shareholders;
- There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that might affect its control following a takeover bid; and,
- There are no agreements between the Company and its Directors concerning compensation for loss of office.

#### Ordinary Shareholders' Rights

**Murray International Trust PLC**

**Corporate Governance Statement for the year ended 31 December 2018**

28 March 2019

Subject to any suspension or abrogation of rights pursuant to relevant law or the Company's Articles of Association, the Ordinary shares confer on their holders (other than the Company in respect of any treasury shares) the following principal rights:

- a) the right for Ordinary shareholders to receive out of profits available for distribution such dividends as may be agreed to be paid (in the case of a final dividend in an amount not exceeding the amount recommended by the Board as approved by shareholders in general meeting or in the case of an interim dividend in an amount determined by the Board). All dividends unclaimed for a period of 12 years after having become due for payment are forfeited automatically and cease to remain owing by the Company;
- b) the right, on a return of assets on liquidation, reduction of capital or otherwise, to share in the surplus assets of the Company remaining after payment of its liabilities *pari passu* with the other holders of Ordinary shares; and
- c) the right to receive notice of and to attend and speak and vote in person or by proxy at any general meeting of the Company. On a show of hands every member present or represented and voting has one vote and on a poll every member present or represented and voting has one vote for every share of which that member is the holder; the appointment of a proxy must be received not less than 48 hours before the time of the holding of the relevant meeting or adjourned meeting or, in the case of a poll taken otherwise than at or on the same day as the relevant meeting or adjourned meeting, be received after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll.

These rights can be suspended. If a member, or any other person appearing to be interested in shares held by that member, has failed to comply within the time limits specified in the Company's Articles of Association with a notice pursuant to Section 793 of the Companies Act 2006 (notice by company requiring information about interests in its shares), the Company can, until the default ceases, suspend the right to attend and speak and vote at a general meeting and if the shares represent at least 0.25% of their class the Company can also withhold any dividend or other money payable in respect of the relevant shares (without any obligation to pay interest) and refuse to accept certain transfers of the relevant shares.

Shareholders, either alone or with other shareholders, have other rights as set out in the Company's Articles of Association and in company law (principally the Companies Act 2006).

By order of the Board

**Kevin Carter**

Chairman

40 Princes Street, Edinburgh EH2 2BY

28 March 2019