

AVI Japan Opportunity Trust plc (the “Company”)

Schedule of matters specifically reserved to the Board of Directors of the Company (the “Board”) for Decision

Preliminaries

This schedule has been drafted in accordance with the UK Corporate Governance Code and the AIC Code of Corporate Governance, and the Company’s constitution.

Matters reserved for the Board

This Board has reserved the following matters for its direct stewardship and decision making unless required to be performed by the AIFM as a matter of law or regulation or in order to respond to a bona fide emergency.

1. Strategy and Management

- 1.1. Approval of the Company’s long term objectives and strategy and any decisions of a strategic nature including any change in investment objective, policy and restrictions including those which may need to be submitted to the shareholders of the Company for approval.
- 1.2. Oversight of the Company’s operations in order to ensure that:
 - 1.2.1. the investment policies and strategies of the Company are complied with and that up to date information on the performance of the Company’s portfolio of assets is available;
 - 1.2.2. the Company is performing in line with its agreed strategy, objectives, business plan and budgets and where necessary the Board should ensure that corrective action is taken to address any deviations from its strategy, objectives, business plan and budgets;
 - 1.2.3. the Company is compliant with all applicable legal and regulatory requirements;
 - 1.2.4. that all applicable risks pertaining to the Company can be identified, monitored and managed at all times including market and investment risk, liquidity risk operational risk;
 - 1.2.5. that all applicable conflicts of interest pertaining to the Company can be identified, monitored and managed at all times;
 - 1.2.6. that all relevant accounting records of the Company are properly maintained, kept up to date and are readily available at all times;

- 1.2.7. that the Company produces annual audited and interim financial statements, interim management statements every other quarter and regular management accounts within the deadlines set down by the relevant rules and regulations applicable to the Company;
 - 1.2.8. that proper accounting policies and procedures are employed in respect of the Company;
 - 1.2.9. that all recordkeeping requirements pertaining to the Company are complied with at all times;
 - 1.2.10. that the Company has effective internal audit procedures; and
 - 1.2.11. that complaints from investors and other stakeholders are addressed promptly and effectively.
- 1.3. Approval of the core policies of the Company including but not limited to its accounting policies and procedures, risk management policies, conflict of interest policy, valuation policy, treasury policy, delegations policy and data retention / record keeping policy.
 - 1.4. Approval of any delegation of the Board's powers to third parties and ensuring that there is adequate oversight of such delegations.
 - 1.5. Approval of any amendments to the Company's memorandum and articles of association prior to putting the amendments before shareholders for consideration.
 - 1.6. Approval of the winding up of the Company.
 - 1.7. Any other matter that in the opinion of the Board requires its approval.

2. The Board, committees of the Board and the company secretary

- 2.1. Approval of changes to the structure, size and composition of the Board, following a recommendation from the nomination committee.
- 2.2. Approval of the appointment of new directors following a recommendation from the nomination committee.
- 2.3. Approval of the establishment of committees of the Board, their terms of reference, chairman and membership.
- 2.4. Approval of a recommendation to shareholders in relation to the continuation in office of directors who are due for re-election by shareholders at the annual general meeting of the Company in accordance with the articles of association of the Company.
- 2.5. Approval of the appointment and removal of the company secretary.

3. Appointment and oversight of delegates

- 3.1. Approval of the appointment or removal of key delegates and services providers including but not limited to registrar, AIFM, depositary, legal advisors, administrator, company secretary, listing sponsors and any other significant service providers
- 3.2. Approval of any amendments to the agreements or contractual arrangements with any key delegates or service providers
- 3.3. Approval of any recommendation to shareholders in respect of the re-appointment or removal of the auditors to the Company following a recommendation from the audit committee.

4. Corporate structure and share capital

- 4.1. Approval of any major changes to the Company's corporate structure
- 4.2. Approval of any changes to the Company's listing.
- 4.3. Approval of the allotment of shares in the Company pursuant to powers conferred on the Board by the articles of association of the Company and the shareholders of the company at general meeting.
- 4.4. Approval of the creation, termination or variation in rights of classes of shares in the Company in accordance with the articles of association of the Company.
- 4.5. Approval of any issue of shares in exchange for assets which the Company is permitted to hold in accordance the investment restrictions of the Company.
- 4.6. Approval of the exercise of the power to refuse to register a transfer of shares or the mandatory disposal of shares in accordance with the articles of association of the Company.
- 4.7. Authorisation of the borrowing of any money on the behalf of the Company against the security of any of the Company's property or other assets, documents of title, certificates or other records evidencing title to any such assets
- 4.8. Creating, causing to be created or committing the Company to create any other charge or encumbrance over all or any of such assets, documents of title, certificates or other records save in respect of any charge or other encumbrance arising by operation of law or as a consequence of a transaction to which the Board has consented.

5. Financial control

- 5.1. Approval of the annual budget for the Company.
- 5.2. Approval of payment of any expenses in accordance with the Company's financial control procedures.

- 5.3. Approval of any interim dividends and any recommendation to shareholders in respect of final dividends.
- 5.4. Approval of a change in the financial year-end of the Company;
- 5.5. Approval of the audit letter of engagement following a recommendation from the audit committee.
- 5.6. Approval of the annual audited and interim financial statements of the Company and interim management statements every other quarter following a recommendation from the audit committee.
- 5.7. Approval of the audit letter of representation following a recommendation from the audit committee.
- 5.8. Approval of any material changes in fees payable by the Company to its key service providers and delegates;
- 5.9. Approval of the opening of any bank accounts in the name of the Company.
- 5.10. Approval of any amendments to the mandates pertaining to bank accounts in the name of the Company.
- 5.11. Approval of the hedging policy and any amendments thereto.

6. Company Contracts

- 6.1. Consent to financing or refinancing agreements and arrangements
- 6.2. Consent to hedging and derivative contracts

7. Internal controls

- 7.1. Ensuring maintenance of a sound system of internal control and risk management including:
 - 7.1.1. receiving reports on, and reviewing the effectiveness of the risk and control processes which are in place to support the Company's strategy and objectives;
 - 7.1.2. Undertaking an annual assessment of these processes; and
 - 7.1.3. approving an appropriate statement on the Company's risk management processes for inclusion in the annual report.

8. Corporate governance

- 8.1. Undertaking a formal and rigorous review, annually, of its own performance, that of its committees and individual directors in accordance with the Corporate Governance Code and the AIC Code of Corporate Governance.

- 8.2. Determining the independence of all directors.
- 8.3. Reviewing the Company's overall corporate governance framework and structure to ensure that it meets the requirements of the Company having regard for its size and structure.
- 8.4. Ensuring that there are mechanisms in place to communicate with the Company's shareholders and take on board their views as may be required from time to time.
- 8.5. Formulation of any corporate governance statements which are required by the Corporate Governance Codes and any other rules and regulations applicable to the Company.