

Firsthand Technology Value Fund, Inc.

Board Governance Policies

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Board Governance Policies

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Board Governance Policies

FIRSTHAND TECHNOLOGY VALUE FUND INC.

The Board of Directors (“Directors” or “Board”) of Firsthand Technology Value Fund, Inc. (the “Fund”) recognizes the critical role that the Directors, and particularly the Independent Directors (as defined below), serve. The Directors have certain oversight responsibilities with respect to the Fund, but are not responsible for the day-to-day management of the Fund. For example, the Directors oversee the Fund’s compliance with regulatory and other legal requirements, and police conflicts of interest between the Fund and its investment adviser and other service providers. To enhance the independence and effectiveness of the Independent Directors in these endeavors, and to assist them in their oversight role on behalf of the interests of the Fund’s shareholders, the Board has adopted the following governance policies.

I. Super Majority of Independent Directors and Independent Chairman

As an industry best practice, at least three-fourths of the Directors of the Fund will not be considered “interested persons”, as that term is defined under Section 2(a)(19) of the Investment Company Act of 1940, as amended (the “1940 Act”) (“Independent Directors”). If the Fund has only three Directors, all but one of the Directors must be independent.

II. Qualification of Directors

Directors should comply with the legal, ethical and fiduciary duties imposed on the Directors of a mutual fund. Independent Directors should be free from any material conflicts of interests. Directors should devote the amount of time necessary to perform the sometimes rigorous duties of a mutual fund director, including a commitment, to the extent reasonably practicable, to attend all the Fund’s board meetings and committee meetings of committees of which the Director is a member.

III. Annual Questionnaire

Prior to the commencement of service as a Director and thereafter on a basis no less frequently than annually, the Directors shall complete a questionnaire that solicits information on the Director’s business, financial, and family relationships with the Fund’s investment adviser, other service providers, and their affiliates, as well as other relationships and qualification issues that could affect their status as Directors.

IV. Independent Directors’ Meetings

The Independent Directors shall meet separately outside the presence of representatives of the Fund’s management whenever they deem such a meeting to be appropriate, but no less than quarterly. At one or more such meetings during the year, the Board as a whole and the Independent Directors separately shall consider the renewal of the Fund’s advisory agreement.

V. Selection and Nomination of Independent Directors

The Board shall have a Nominating Committee composed of the Independent Directors. The Nominating Committee shall select and nominate the Independent Directors of the Fund by vote

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of a majority of the members of the Nominating Committee. The Fund's management may provide suggestions to the Nominating Committee regarding persons deemed qualified to serve as Independent Directors, and may be afforded the opportunity to meet with a prospective new Independent Director prior to a final decision of the Nominating Committee.

VI. Audit Committee

The Board shall have an Audit Committee composed entirely of Independent Directors, which shall have a written charter outlining its duties and responsibilities.

VII. Disqualified Persons

Section 9 of the 1940 Act prohibits certain persons who have committed various delineated acts from serving as an employee, officer, director, member of the advisory board, investment adviser or principal underwriter of the Fund. Pursuant to Section 9(a) of the 1940 Act, no person may serve in the above-referenced capacities of the Fund if such person: (i) has convictions within the last ten years that are tied to securities transactions or employment in the securities field; (ii) has by reason of misconduct, been permanently or temporarily enjoined from acting in certain capacities in the securities arena; (iii) is a company any affiliated person of which is ineligible under paragraphs (i) and (ii) above, which includes any person who owns 5% or more of the voting securities of another person and any person who controls, is controlled by, or is under common control with another person; or (iv) is subject to an SEC order declaring him, her or it to be ineligible under Section 9 of the 1940 Act.

VIII. Composition of Board Committees and Chairpersons

The Board shall review annually the membership and Chairperson of each committee of the Board.

IX. Chief Compliance Officer

The Board shall appoint a Chief Compliance Officer ("CCO") for the Fund who shall report in person directly to the Board at least annually and at such other times and in such fashion as required by Rule 38a-1 and as the Board shall request. The CCO's compensation for his or her service as the Fund's CCO shall be determined exclusively by the Board.

X. Advisory Contract Review

The Directors as a whole and the Independent Directors separately have the obligation each year (after the initial two-year period) to select the Fund's investment adviser and to approve the advisory fee and other amounts payable under the advisory contracts. In connection therewith, the Directors and Independent Directors shall consider, among other things: (i) the nature, extent, and quality of the services to be provided by the investment adviser; (ii) the investment performance of the Fund and the investment adviser; (iii) the costs of the services to be provided and profits to be realized by the investment adviser and its affiliates from the relationship with the Fund; (iv) the extent to which economies of scale would be realized as the Fund grows; (v) whether fee levels reflect these economies of scale for the benefit of Fund's investors and (vi) the

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services rendered by, and the fees paid to, the Fund's investment adviser under the advisory contracts compared to other advisory contracts with the same or different investment advisers.

XI. Independent Auditors and Other Experts

The Independent Directors shall have the authority to consult with the Fund's independent auditors or other experts, as appropriate, when faced with issues that they believe require special expertise. The Independent Directors are authorized to use the Fund's assets to retain experts when they deem it necessary to further shareholder interests.

XII. Compensation of Independent Directors

The Independent Directors shall be responsible for recommending to the Board, from time to time, the compensation to be paid to Independent Directors for services that they perform on behalf of the Fund. The Fund's management may assist with the analysis of relevant data on compensation and provide recommendations to the Independent Directors with respect to compensation.

XIII. Annual Self-Assessment

The Board shall be required to assess their own effectiveness at least once a year.

XIV. Annual Independent Counsel Determination

Rule 0-1(a)(6) under the 1940 Act requires that any person who acts as legal counsel for the Independent Directors be "independent legal counsel." No person may serve as legal counsel with respect to the Fund's Independent Directors unless: (i) a majority of the Independent Directors has reasonably determined in the exercise of their judgment that any representation by the person of the Fund's investment adviser, principal underwriter, administrator ("Management Organizations"), or any of its control persons, since the beginning of the Fund's last two completed fiscal years, is or was sufficiently limited that it is unlikely to adversely affect the professional judgment of the person in providing legal representation to the Independent Directors; (ii) the basis for the Independent Directors' determination has been recorded in the minutes of the meeting; and (iii) the Independent Directors have obtained an undertaking from such person to provide them with information necessary to make their determination and to update promptly that information when the person begins to represent, or materially increases his or her representation of, a Management Organization or control person thereof. The Independent Directors are entitled to rely on the information obtained from the person, unless they know or have reason to believe that the information is materially false or incomplete.

The Independent Directors shall re-evaluate their determination at least annually. If after the Independent Directors obtain information that the person has begun to represent, or has materially increased his representation of, a Management Organization (or any of its control persons), the person may continue to act as independent legal counsel for no longer than three months, unless during that period the Independent Directors make a new determination as provided above. The Independent Directors' legal counsel shall be responsible for (i) providing

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the Independent Directors with information in connection with the determination required above, and (ii) making the required undertaking.

XV. Election of Directors by Shareholders

Pursuant to Section 16 of the 1940 Act, no one may serve as a Director of the Fund unless he or she has been elected by the Fund's shareholders. If a vacancy occurs on the Board, however, a Director may be appointed by the remaining Directors so long as immediately after such appointment, at least two-thirds of the Directors then holding office have been elected by shareholders.