

## **ASIAN MASTERS FUND LIMITED**

A.B.N 90 127 927 584

### **CORPORATE GOVERNANCE STATEMENT –**

The Board of Asian Masters Fund Limited has adopted the detailed corporate governance policies outlined in the ASX's Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

#### **BOARD OF DIRECTORS AND ITS RESPONSIBILITY**

The Board is responsible for the management of the affairs of the Company and reserves responsibility for the following matters:

- a) providing strategic direction and ensuring there is rigorous analysis and substantiation supporting the strategy and reviewing the effective implementation of the strategy;
- b) establishment and maintenance of appropriate governance structures;
- c) ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act;
- d) monitoring the operational and financial position and performance of the Company;
- e) reviewing and ratifying systems of risk management and internal compliance and control;
- f) ensuring that the Company's financial and other reporting mechanisms result in reliable and timely information for the Board and the shareholders;
- g) ensuring that shareholders and the market are kept fully informed with timely and relevant and relevant information and in accordance with the continuous disclosure provisions;
- h) establishing and approving executive remuneration policy;
- i) approving the Company's budgets and business plans and monitoring the progress of major capital expenditures, management of capital, acquisitions and divestitures; and
- j) ensuring that the Company's business is conducted openly and ethically.

#### **STRUCTURE AND COMPOSITION OF THE BOARD**

The Board of Directors has an independent Chair and four non-executive directors. The directors of the Company in office at the date of this statement are as follows:

Mr Maximilian Walsh (non-executive chairman)  
Mr Daryl Dixon (non-executive director)  
Mr Alan Dixon (non-executive director)  
Mr Alex MacLachlan (non-executive director)  
Mr John Holland (independent non-executive director)

Miss Hannah Chan (company secretary)

The composition of the Board is structured to maintain a mix of directors from different backgrounds with complementary skills and experience. Details of each director at the date of this report are given in the Directors' Report, including the period in office, skills, experience, and expertise relevant to the position of director.

It is the Board's policy to determine the terms and conditions relating to the appointment and retirement of non-executive Directors on a case-by-case basis and in conformity with the requirements of the listing Rules and the Corporations Act.

Directors normally meet once each month and more frequently if required. The Board will have direct involvement with the management of the portfolio. As required, executives are invited to make presentations to the Board. The strategic and development program for the Company is the subject of regular assessment by the directors.

## **BOARD AND INVESTMENT COMMITTEE PARTICIPATION IN MANAGEMENT**

The Company has formed an Investment Committee consisting of:

Mr Maximilian Walsh	Chairman
Mr Daryl Dixon	Non-Executive Director
Mr Alan Dixon	Non-Executive Director
Mr Alex Maclachlan	Non-Executive Director
Mr John Holland	Non-Executive Director

The Investment Committee meetings will initially be held fortnightly and after the establishment of the portfolio monthly.

Under the Management Agreement, the Manager (Dixon Advisory & Superannuation Services Ltd) is permitted to undertake investments on behalf of the Company in consultation with the Investment Committee and in accordance with the Corporations Act and the investment policies and any written guidelines issued by the Board from time to time. The Manager may not make or implement any investment decision in respect of:

- (a) an investment with a value in excess of \$100,000; or
- (b) in respect of any number of investments which have an aggregate value in excess of \$250,000,

without first obtaining the approval of the Investment Committee.

## **CODE OF BUSINESS CONDUCT**

Board members, executive management and company officers are made aware of the requirements to follow corporate policies and procedures, to obey the law and to maintain appropriate standards of honesty and integrity at all times. In this regard the directors have adopted a code of conduct for directors, senior executives and employees. The code of conduct covers ethical operations, compliance with Laws, dealings with customers and public officials, conflicts of interest, confidential and proprietary information and insider trading. A copy of the code is available on the Company web site under the Corporate Governance section.

## **CONTINUOUS DISCLOSURE**

The directors are aware of the importance of timely and balanced disclosure of all material matters concerning the Company and have adopted a policy related to the continuous disclosure obligations of the Company under the ASX Listing Rules. The Company Secretary will oversee the implementation of that policy and the Board will consider continuous disclosure as a standing item at Board meetings.

The Company aims to keep shareholders informed of its performance and all major developments in an ongoing manner. Information is communicated to shareholders through:

- the annual financial report which is distributed to all shareholders
- the half-year financial report
- monthly asset backing data
- other correspondence regarding matters impacting on shareholders as required

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The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals.

A detailed copy of the code is available on the Company web site under the Corporate Governance section.

## **MANAGEMENT OF RISK**

The Board, together with management, has accepted the periodic role of identification, assessment, monitoring and managing the significant areas of risk applicable to the Company and its operations. It has not established a separate committee to deal with these matters as the directors consider the size of the Company and its operations does not warrant a separate committee at this time.

## **BOARD AND MANAGEMENT PERFORMANCE EVALUATION**

The Company's Board seeks to maximize its performance in delivering long term sustainable outcomes for the Company. A performance evaluation of the Board and its committees is conducted annually, normally in the lead-up to the Company's Annual General Meeting.

The Company has an appraisal and review process for all executives and staff. A formal appraisal is carried out within the management team at least twice a year.

## **REMUNERATE FAIRLY & RESPONSIBLY**

No separate Remuneration Committee has been established by the Company as the Company does not believe that this adds any value to its Corporate Governance.

The initial maximum total remuneration of the Directors has been set at \$300,000 to be divided among the Directors as they see fit. The remuneration for Directors will be reviewed by the Board on a periodic basis as the Company develops its business and, subject to the Listing Rules, may be increased.

## **SHARE TRADING POLICY**

Subject to them not being in possession of undisclosed price sensitive information, Directors may deal in shares of the Company where appropriate. As Asian Masters Fund Limited is an investment Company announcing its results monthly, the Board believes the shareholders are generally well informed.

A detailed copy of the policy is available on the Company web site under the Corporate Governance section.

## **DIRECTORS' ACCESS TO INDEPENDENT PROFESSIONAL ADVICE**

Individual directors are able to seek independent professional advice, at the Company's expense, on matters relevant to their role as director. This is subject to prior approval of the Chairman, which may not be unreasonably withheld, and the other directors being given a copy of such advice.

## **CONFLICT OF INTEREST**

The Directors of the Company are required to act in a manner which is consistent with the best interests of the Company as a whole free of conflicts of interest.

In accordance with the Corporations Act 2001, the Directors must keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

## **CORPORATE GOVERNANCE DISCLOSURE**

This statement outlines the extent to which the Company meets best practice recommendations set out in the Guidelines during the reporting period. Unless otherwise stated the practices were in place throughout the reporting period.

August 2010