

22 August 2019

Corporate Governance Statement

This Corporate Governance Statement sets out the PM Capital Asian Opportunities Fund Limited's (the 'Company') current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Principles and Recommendations**) and has been adopted by the Board of directors (Board) of the Company and is current as at 22 August 2019. The Principles and Recommendations are not mandatory. However, the Company is required to provide an annual statement disclosing the extent to which the Company has followed the Principles and Recommendations.

The Board of the Company currently has in place corporate governance policies and charters which have been posted in a dedicated corporate governance information section on the Company's website at <http://www.pmcapital.com.au/paf/compliance>.

PRINCIPLES AND RECOMMENDATIONS		COMPLY (Yes/No)	EXPLANATION
1.	Lay solid foundations for management and oversight		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Yes	The Board's responsibilities are defined under the Board Charter, a copy of which is available on the Company's website at www.pmcapital.com.au/paf/compliance . There is a clear delineation between the Board's responsibility for the Company's strategy and activities, and the day-to-day management of operations conferred upon other officers of the Company.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	The Nomination and Corporate Governance Committee is responsible for conducting checks, and making recommendations, and information available, to the Board. Disclose to security holders is are per the Continuous Disclosure policy and Board Charter. Copies of the corporate policies and charters are available on the Company's website at www.pmcapital.com.au/paf/compliance .
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company has entered into a written agreement with each company officer which sets out the terms of their appointment.

1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	As per the Board Charter, the Company Secretary is accountable to the board through the chair. Copies of Board Charter is available at www.pmcapital.com.au/paf/compliance .
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	No. Partially compliant	The Company has a Diversity Policy, which is available at: www.pmcapital.com.au/paf/compliance . Whilst the Board has considered recommendation 1.5(c), it is considered that these recommendations are not fully commercially practical to an entity of the limited size and complexity as the Company which recognises that the Company has no employees. Despite this, the Board is committed to promoting diversity within the Company, and recognises the value of diversity in achieving the Company's corporate objectives and maximising value to shareholders. The Company adheres to its Diversity Policy when appointing directors. The Board conducts an annual assessment process which also considers the Board's appropriation composition with regards to gender equality. The Company has five officeholders, all of which are male – two being executives of the Company's Investment Manager (PM Capital Limited).
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	The Board Charter provides for an annual self-assessment of the Board's performance and for the Nomination and Corporate Governance Committee to review the performance of the Board, and directors. The Nomination and Corporate Governance Committee conducted a review during the period ended 30 June 2019. Copies of the corporate policies and charters are available on the Company's website at www.pmcapital.com.au/paf/compliance .
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the	Yes	The Board Charter provides for an annual self-assessment of the performance of senior executives (if any) and for the Nomination and Corporate Governance Committee to review the performance of the Board, and directors. The Company had no employees over the period. Nevertheless, the review noted in 1.6 included

	reporting period in accordance with that process.		reference to the CEO and Company Secretary (each being senior executives employed by the Manager). Copies of the corporate policies and charters are available on the Company's website at www.pmcapital.com.au/paf/compliance .
2.	Structure the board to add value		
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Yes	The Company maintains a Nomination Committee with three members, a majority of whom are independent. The Committee Chairman is an independent director. The Committee Charter is available at www.pmcapital.com.au/paf/compliance . The membership of the Committee, the qualifications and experience of members, and the number of times the Committee has met is disclosed in the Annual Report.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	A summary of the board's mix of skills, including each directors' names, length of service, experience, interests (if any), and independence is published in the Company's Annual Report.
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Yes	A summary of the board's mix of skills, including each directors' names, length of service, experience, interests (if any), and independence is published in the Company's Annual Report.
2.4	A majority of the board of a listed entity should be independent directors.	Yes	The Board Charter provides that the Board should consist of a majority of independent directors. The majority of the Company's current Board are

			independent directors. Currently the company has three directors, two of which are considered independent for ASX purposes. The Company considers that a Director is an independent director where that Director is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company. The Board Charter also provides that the Board should regularly assess whether each non-executive director is independent. The Company has also assessed the independence of its Directors regarding the requirements for independence set out under this ASX principle.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	The chairman of the Board is Brett Spork. Mr Spork (who does not act as CEO) is considered an independent director for ASX purposes.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	The Company has adopted a Nomination and Corporate Governance Committee Charter. This Charter provides for the induction, and appropriate professional development, of directors. The Charter is available at www.pmcapital.com.au/paf/compliance.
3	Act ethically and responsibly		
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Yes	The Company has adopted a Code of Conduct which applies to all directors, officers and employees (if any) of the Company as well as a Securities Trading Policy. Each of these has been prepared having regard to the ASX Corporate Governance Principles and is available at www.pmcapital.com.au/paf/compliance .
4	Safeguard integrity in financial reporting		
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it	No. Mostly compliant	The Company has established an Audit Committee to oversee the accounting and financial reporting process and auditing of financial statements. For the year to 30 June 2019 the Audit Committee had three members, two of which were independent. The Committee Chairman is independent. The Committee Charter is available at www.pmcapital.com.au/paf/compliance. The membership of the Committee, the qualifications and experience of members, and the number of times the Committee has met is disclosed in the Annual Report.

	employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	Statements from the CEO and CFO are received.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	The Company's external auditor attends each AGM of the Company.
5	Make timely and balanced disclosure		
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Yes	The Company has a Continuous Disclosure Policy. The Continuous Disclosure Policy is available at www.pmcapital.com.au/paf/compliance .
6	Respect the rights of security holders		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company provides comprehensive details on itself, and its governance, on its website. A copy of the Shareholder Communications Policy is available on the Company's website at www.pmcapital.com.au/paf/compliance .
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has adopted a Shareholder Communications Policy for Shareholders wishing to communicate with the Board, a copy of which is available on the Company's website at www.pmcapital.com.au/paf/compliance . The Company seeks to utilise numerous modes of communication, including electronic communication to ensure that its communication with Shareholders is frequent and done with ease. All Shareholders are invited to attend the Company's annual meetings either in person or by representative. Shareholders will have the opportunity to submit questions to the Board and auditors, as the Board has indicated the external auditor will be present at annual meetings.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of	Yes	The Company has adopted a Shareholder Communications Policy for Shareholders wishing to communicate with the Board, a copy of which is

	security holders.		available on the Company's website at www.pmcapital.com.au/paf/compliance. All Shareholders are invited to attend the Company's annual meetings either in person or by representative. Shareholders will have the opportunity to submit questions to the Board and auditors, as the Board has indicated the external auditor will be present at annual meetings.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company has adopted a Shareholder Communications Policy which allows security holders the option to receive communications from, and send communications to, the Company and its security registry electronically. The Shareholder Communications Policy is available at: www.pmcapital.com.au/paf/compliance.
7	Recognise and manage risk		
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Yes	The Company maintains an Audit Committee which satisfies this process with three members, a majority of whom are independent. The Committee Chairman is an independent director. The Audit Committee Charter is available at www.pmcapital.com.au/paf/compliance. The membership of the Committee, the qualifications and experience of members, and the number of times the Committee has met is disclosed in the Annual Report.
7.2	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	In conjunction with the Company's other corporate governance policies, the Company has adopted a Risk Management Policy which is designed to assist the Company identify, assess, monitor and manage its risk, including any material changes to its risk profile. A copy of the Company's Risk Management policy is available on the Company's website at www.pmcapital.com.au/paf/compliance.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it	Yes	A copy of the Company's Risk Management policy is available on the Company's website at www.pmcapital.com.au/paf/compliance. A copy of the Company's Audit Committee Charter is available on the Company's website at

	employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.		www.pmcapital.com.au/paf/compliance .
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	A summary of the Company's material risks is described in the Annual Report. The Company does not have material environmental and social sustainability risks. A copy of the Company's Risk Management policy is available on the Company's website at www.pmcapital.com.au/paf/compliance. A copy of the Company's Audit Committee Charter is available on the Company's website at www.pmcapital.com.au/paf/compliance.
8	Remunerate fairly and responsibly		
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	No	The Company has not established a remuneration committee as currently it has no paid employees. The Board ensures that it performs the functions recommended in the ASX Corporate Governance Principles to be performed by a remuneration committee (to the extent that these functions are relevant to the Company's business). The Company's Nomination and Corporate Governance Committee considers matters relating to the appointment, performance and remuneration of directors. The Nomination and Corporate Governance Committee Charter is available at www.pmcapital.com.au/paf/compliance. The Company provides disclosure of its Directors' and executives' remuneration (to the extent that they are remunerated by the Company) in its Annual Report.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	The Nomination and Corporate Governance Committee considers matters relating to the appointment, performance and remuneration of directors. The Charter for the Nomination and Corporate Governance Committee is available at www.pmcapital.com.au/paf/compliance. The Company does not pay any executive employees.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating	Yes	Not applicable.

	in the scheme; and (b) disclose that policy or a summary of it.		
Additional disclosures applicable to externally managed listed entities			
-	Alternative to Recommendation 1.1 for externally managed listed entities: The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	Yes	The Company has entered into an Investment Management Agreement with PM Capital Limited ('Manager'). The Manager is responsible for the implementation of the Company Investment Strategy, and the day-to-day administration of the Company's affairs. PM Capital Limited is regulated by the Australian Securities and Investments Commission (AFSL No 230222). The Board of the Manager is responsible for overseeing the operations of the Manager.
-	Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities: An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	Yes	The remuneration of the manager is detailed in the Investment Management Agreement, and is described in the Annual Report.