

Global Value Fund Limited

A.C.N. 168 653 521

CORPORATE GOVERNANCE STATEMENT

The board of Directors of Global Value Fund Limited (the Company) is responsible for the corporate governance of the Company. The board guides and monitors the business and affairs of Global Value Fund Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. The table below summarises the Company's current compliance with the third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

	Recommendations	Compliance	Comment
1.	Lay solid foundations for management and oversight		
1.1.	<p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	Complies	The Company's Board Policy and the Management Agreement between the Company and Metage Capital Limited (Manager) set out the specific responsibilities of the Board and those delegated to the Manager. Subject at all times to any written guidelines issued by the Board of Directors of Global Value Fund Limited, the day-to-day management and investment of funds is carried out by Metage Capital Limited pursuant to a management agreement.
1.2.	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(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.</p>	Complies	<p>The Board is responsible for ensuring it is comprised of individuals who are best able to discharge the responsibilities of directors having regard to the law and the best standards of governance.</p> <p>This will necessarily include undertaking background and other checks before appointing a person or putting them forward to security holders as a candidate for election as a director, as well as providing all material information relevant to a decision for election as a director.</p>
1.3.	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complies	The Board comprises experienced Company directors who received a formal letter of appointment which sets out their roles and responsibilities.

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1.4.	The company secretary should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Complies	The Company Secretary is accountable directly to the Board.
1.5.	<p>A listed entity should:</p> <p>(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;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(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 progress towards achieving them and either:</p> <ol style="list-style-type: none"> 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. 	Does not comply	The Board has adopted a Diversity Statement which is included in its Corporate Governance Charter. The Board's composition is reviewed on an annual basis. In the event a vacancy arises, the Board will consider diversity in its nomination process. The Company is not a relevant employer under the Workplace Gender Equality Act.
1.6.	<p>A listed entity should disclose:</p> <p>(a) a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken</p>	Complies	<p>The performance of directors will be assessed and reviewed by the Board. To determine whether it is functioning effectively, the board shall:</p> <ol style="list-style-type: none"> a) review its Corporate Governance Charter annually; and b) perform an evaluation of the Board's performance at intervals considered appropriate.

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	in the reporting period in accordance with that process.		<p>A Board performance evaluation was undertaken during the reporting period and the Board believes that its current composition, level of functionality and competency appropriate for the scale and nature of the Company's business.</p> <p>The Board is responsible for undertaking an annual performance evaluation of itself and its members in light of the Company's Corporate Governance Charter. The Board will review its performance by discussion and by individual communication with the Chairman and by reference to generally accepted Board performance standards and seek external input where considered necessary.</p>
1.7.	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Not Applicable	The Company does not have any senior executives. The business of the Company is managed by the Manager.
2.	Structure the board to add value		
2.1.	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, and disclose the charter of the committee, the members of the committee; and 3. 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: <u>OR</u> <p>(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</p>	Does not comply	Given the size of the Board and the nature of the Company's operations, a Nomination Committee has not been formed. The Board as a whole considers the composition of the Board and appointment of new Directors. The Board identifies suitable candidates to fill vacancies as they arise with consideration given to the optimal mix of skills and diversity required.

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	appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		
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.	Does not comply	The Company supports the appointment of Directors who bring a wide range of business and professional skills and experience. While the Company does not have or disclose a formal skills matrix it does consider directors attributes prior to any appointment. The qualifications, skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the annual report and their attendance at board and Committee meetings is included in the 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 of the ASX Corporate Governance Principles and Recommendations 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.	Complies	(a) The Board considers Jonathan Trollip and Chris Cuffe to be independent directors; (b) Not Applicable; (c) all directors were appointed at incorporation on 20 March 2014 as set out in the Director's Report contained in the Annual Report.
2.4.	A majority of the board of a listed entity should be independent directors.	Does not comply	Two of the four directors are independent.
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.	Complies	The Chairman is independent. The Company does not have a chief executive officer.
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	Does not comply	Due to the nature of the Company's operations, its size, and the fact that Directors are chosen for their specialist knowledge of their sector, the Board induction process is of an informal nature. New Directors are fully briefed about

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	and knowledge needed to perform their role as directors effectively.		the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of Directors.
3.	Act ethically and responsibly		
3.1.	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	Complies	<p>The Company has adopted a formal code of conduct. This is incorporated into the Company's Corporate Governance Charter. The Company requires all its directors to comply with the standards of behaviour and business ethics in accordance with the law and the code of conduct. These include acting honestly and with integrity and fairness in all dealings.</p> <p>The Company has made its Corporate Governance Charter publicly available on its website.</p>
4.	Safeguard integrity in corporate reporting		
4.1.	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and is chaired by an independent director, who is not the chair of the board; <p>and disclose:</p> <ol style="list-style-type: none"> the charter of the committee; the relevant qualifications and experience of the members of the committee; and 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 <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal</p>	Does not comply	<p>The Board deals with the integrity of financial reporting as a whole. At the current stage of the Company's development, the Board feels the establishment of such a committee is not warranted given the Board's size as well as the current nature of the Company's operations. In the Board's opinion, an audit committee would not serve to protect or enhance the interest of shareholders beyond that which the Board currently provides in terms of oversight. If circumstances change, Directors will consider establishing a separate audit committee.</p>

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	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.	Complies	The Manager is responsible for preparing the declaration pursuant to section 295A of the Corporations Act as the Company does not have a chief executive officer (or equivalent) or a chief financial officer (or equivalent). The Board procures the Manager to put in place sound systems of risk management and internal controls and ensure that the systems are operating effectively in all material respects in relation to financial reporting risks.
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.	Complies	The external auditors are requested to attend the Annual General Meeting and are available to answer shareholders' questions regarding the conduct of the audit and preparation of the Auditor's Report.
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	Complies	The Company operates under the continuous disclosure requirements of the ASX Listing Rules as set out in its Continuous Disclosure Policy. The Company ensures that all information which may be expected to affect the value of the Company's securities or influence investment decisions is released to the market in order that all investors have equal and timely access to material information concerning the Company. The Company Secretary has the responsibility for ensuring that all relevant information is released to the market in a timely manner in consultation with the Board. The Company considers this to be a satisfactory protocol given the size and nature of the Company's operations.
6.	Respect the rights of shareholders		
6.1.	A listed entity should provide information about itself and its governance to investors via its website.	Complies	The Company makes information about itself and its governance available to investors via its website.

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6.2.	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complies	<p>The Company is committed to:</p> <ul style="list-style-type: none"> ensuring that shareholders and the financial markets are provided with full and timely information about the Company's activities in a balanced and understandable way through the annual and half yearly reports, Investor Presentations, ASX releases, general meetings and the Company's website; complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the Corporations Act in Australia; and encouraging shareholder participation at general meetings.
6.3.	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Complies	The Board encourages full participation of shareholders at the Company's annual general meetings and any general meetings to ensure a high level of accountability and identification with the Company's strategy. The external auditor will be also invited to attend the annual general meeting of shareholders and will be available to answer any questions concerning the conduct, preparation and content of the auditor's report.
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.	Complies	<p>The Company's registrar, Boardroom Pty Limited, provides the option for shareholders to receive and send communications electronically. Shareholders are encouraged to create an online account at https://www.boardroomlimited.com.au/</p>
7.	Recognise and manage risk		
7.1.	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose the charter of the committee; the members of the committee; and disclose (3) the charter of the committee; (4) the members of the committee; and 	Does not comply	<p>The Board takes a proactive approach to the Company's risk management and internal compliance and control systems. For the reasons provided previously in relation to the establishment of Board committees, at the current stage of the Company's development the Board feels that a dedicated risk committee is not warranted.</p> <p>The Board is responsible for ensuring that risks and mitigation of these risks are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified.</p>

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	<p>(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</p> <p>(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.</p>		
7.2.	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Complies	<p>The Board reviews and oversees the operation of systems of risk management at least annually to ensure that the significant risks facing the Company are identified, that appropriate control, monitoring and reporting mechanisms are in place and that risk is appropriately dealt with, and liaise with the Manager to identify and manage risk.</p> <p>Such reviews have taken place in the reporting period.</p>
7.3.	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; OR</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its risk management and internal control processes.</p>	Complies	<p>As a listed investment company managing a single portfolio of investments with limited operational complexity, the Company does not believe it requires an internal audit function. The Board works closely with the Manager and external auditor to identify and manage operational, financial and compliance risks which could prevent the Company from achieving its objectives.</p>
7.4.	<p>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.</p>	Complies	<p>The Board has procured the Manager to initiate sound systems of risk management and internal controls and ensure that the systems are operating effectively in all material respects in relation to reporting risks.</p>
8.	Remunerate fairly and responsibly		
8.1.	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p>	Does not comply	<p>The Board does not have and does not intend to establish a remuneration committee because the formation of such would be inefficient given the Company's size and nature of its activities. The Board believes a committee would not serve to protect or enhance the interest of shareholders beyond that which the Board already provides. The Board will deal with this issue as a</p>

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	<p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p>		whole. Should the nature of the Company or its activities change, the Board may consider establishing a separate remuneration committee.
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.	Complies	The details of the remuneration paid to Directors is included in the Remuneration Report contained in the Annual Report.
8.3.	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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 in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Not Applicable	The Company does not have an equity-based remuneration scheme.

The Company's corporate governance practices were in place for the year ended 30 June 2016 and to the date of the signing of the Directors Report.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by the Company, refer to our website: <http://www.globalvaluefund.com.au>