

PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED
ACN 168 666 171

BOARD CHARTER

ROLE OF THE BOARD

- 1 This Board Charter sets out the principles for the operation of the board of directors (**Board**) of PM CAPITAL Asian Opportunities Fund Limited ACN 168 666 171 (**Company**) and describes the functions of the Board.
- 2 The Board is accountable to shareholders for the performance of the Company. The Board must at all times act honestly, conscientiously and fairly in all respects in accordance with the law applicable to the Company and must act in the best interests of the shareholders of the Company and other stakeholders.
- 3 The Board's role includes guiding the strategic direction of the Company, driving its performance and overseeing the activities of management and the operation of Company.
- 4 This Board Charter and the charters adopted by the Board for the committees to be established by the Board have been prepared and adopted on the basis that corporate governance procedures can add to the performance of the Company and the creation of shareholder value and help to engender the confidence of the investment market.

RESPONSIBILITIES OF THE BOARD

- 5 The Board is responsible for the management of the affairs of the Company, including:

Strategic and financial performance

- 5.1 developing and approving the corporate strategy, investment and performance objectives;
- 5.2 evaluating, approving and monitoring the strategic, investment and financial plans and objectives of the Company;
- 5.3 evaluating, approving and monitoring the annual budgets and business plans;
- 5.4 determining the Company's dividend policy (if any), the operation of the Company's dividend re-investment plan (if any) and the amount and timing of all dividends;
- 5.5 evaluating, approving and monitoring major capital expenditure, capital management and all major acquisitions, divestitures and other corporate transactions, including the issue of securities of the Company;
- 5.6 approving all accounting policies, financial reports and material reporting and external communications by the Company;
- 5.7 assessing the solvency and performance of the Company;
- 5.8 appointing the Chairman of the Board;

Executive management

- 5.9 appointing, monitoring and managing the performance of the Company's executive directors;

- 5.10 managing succession planning for the Company's executive directors and such other key management positions which may be identified from time to time, including reviewing any succession plans recommended by the Nomination and Corporate Governance Committee;
- 5.11 appointing and where appropriate, removing the Chief Executive Officer;
- 5.12 ratifying the appointment and, where appropriate, the removal of senior management of the Company and its subsidiaries (if any);
- 5.13 with the advice and assistance of the Nomination and Corporate Governance Committee, reviewing and approving the performance of individual Board members and senior executives as well as any policies concerned with the remuneration of any employee;
- 5.14 reviewing and approving the remuneration of individual Board members and senior executives, having regard to their performance;
- 5.15 ensuring appropriate resources are available to senior executives;
- 5.16 advising senior management of its obligation to provide to the Board all information required by it to discharge its responsibilities, including any information specifically requested by the Board;

Audit and risk management

- 5.17 with the recommendation of the Audit Committee, appointing the external auditor and determining its remuneration and terms of appointment;
- 5.18 ensuring that effective audit, risk management and regulatory compliance programmes are in place to protect the Company's assets and shareholder value;
- 5.19 approving and monitoring the Company's risk and audit framework, including (but not limited to) systems of risk management and internal compliance and control;
- 5.20 approving and, with the assistance and advice of the Audit Committee, monitoring compliance with the Company's risk and audit policies and protocols and Code of Conduct;
- 5.21 monitoring the Company's operations in relation to, and in compliance with, relevant regulatory and legal requirements;
- 5.22 approving financial and other reporting systems and monitoring the operation of these systems;

Strategic planning

- 5.23 being actively and regularly involved in strategic planning including the establishment of goals for management of the Company and monitoring the achievement of those goals;
- 5.24 ensuring that strategic planning is based on the identification of opportunities and the full range of business risks that will determine which of those opportunities are most worth pursuing;
- 5.25 on an ongoing basis, reviewing how the strategic environment is changing, what key business risks and opportunities are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted;

Corporate governance and disclosure

- 5.26 overseeing the affairs of the Company, including its control and accountability systems;

- 5.27 evaluating the overall effectiveness of the Board and its committees;
- 5.28 at least once per year, with the assistance and advice of the Nomination and Corporate Governance Committee, reviewing the performance and effectiveness of the Company's corporate governance policies and procedures and, if appropriate, amending those policies and procedures or adopting new policies or procedures;
- 5.29 reviewing and approving all disclosures related to any departures from the Corporate Governance Principles and Recommendations with 2010 Amendments of the Australian Securities Exchange (**ASX**) Corporate Governance Council (**Recommendations**);
- 5.30 reviewing and approving the public disclosure of any of the Company's policies and procedures;
- 5.31 supervising the public disclosure of all matters that the law and the ASX Listing Rules require to be publicly disclosed in a manner consistent with the Continuous Disclosure Policy approved by the Board;
- 5.32 developing and reviewing an appropriate communications policy to promote effective communication with shareholders and participation at general meetings;
- 5.33 approving the appointment of directors to committees established by the Board and overseeing the conduct of such committees;
- 5.34 approving and monitoring delegations of authority;
- 5.35 with the assistance of the Nomination and Corporate Governance Committee, identifying any specific responsibilities of individual Board members, including the Chairman;
- 5.36 preparing the Company's corporate governance disclosure statements in its Annual Report;

Performance evaluation

- 5.37 at least once per year, with the advice and assistance of the Nomination and Corporate Governance Committee, reviewing and evaluating the performance of the Board, each board committee, and each individual director against the relevant charters, corporate governance policies, and agreed goals and objectives;
- 5.38 following each review and evaluation considering how to improve performance;
- 5.39 agreeing and setting the goals and objectives for the Board and its committees each year, and if necessary, amending the relevant charters, policies or goals and objectives; and
- 5.40 reviewing and approving the remuneration of the Company's executive and non-executive directors.

STRUCTURE OF THE BOARD

Overview

- 6 Subject to the requirements in paragraph 8 below and the terms of the Company's Constitution, the Board, with the recommendation of the Nomination and Corporate Governance Committee, determines its size and composition. The continued tenure of each individual director is subject to re-election from time to time, in accordance with the Company's Constitution and the ASX Listing Rules.

- 7 It is intended that the Board should comprise a majority of independent directors, and comprise directors with a broad range of skills, expertise, and experience from a diverse range of backgrounds that is relevant to the Company and its strategy.

Board composition

- 8 The Board shall comprise at least three directors.

Criteria for an "independent" director

- 9 Where the Charter of a board committee requires one or more "independent" directors, the following criteria are to be applied.
- 10 An "independent" director is a non-executive director who:
- 10.1 is not a substantial shareholder (as defined in the *Corporations Act 2001* (Cth)) of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
 - 10.2 within the last three years, has not been employed in an executive capacity by the Company or another Group member, or been a director after ceasing to hold any such employment;
 - 10.3 within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with the service provided;
 - 10.4 is not a material supplier or customer of the Company or another Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
 - 10.5 has no material contractual relationship with the Company or another Group member other than as a director of the Company;
 - 10.6 has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and
 - 10.7 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.
- 11 Family ties and cross-directorships may be relevant in considering interests and relationships which may compromise independence and should be disclosed by directors to the Board.
- 12 The Board should regularly assess whether each non-executive director is independent. Each non-executive director should provide to the Board all information that may be relevant to this assessment. If a director's independent status changes, this should be disclosed and explained to the market in a timely manner.

Directors' responsibilities

- 13 Each director of the Company is bound by all the Company's charters, policies and codes of conduct, including:
- 13.1 the Code of Conduct;
 - 13.2 the Securities Trading Policy;
 - 13.3 the Continuous Disclosure Policy;

- 13.4 the Diversity Policy;
 - 13.5 Shareholders Communications Policy;
 - 13.6 Risk Management Policy;
 - 13.7 Audit Committee Charter; and
 - 13.8 Nomination and Corporate Governance Committee Charter.
- 14 The directors of the Company must:
- 14.1 conduct their duties at the highest level of honesty and integrity;
 - 14.2 observe the rule and the spirit of the laws to which the Company is bound and comply with any relevant ethical and technical standards;
 - 14.3 maintain the confidentiality of all information acquired in the course of conducting their role and not make improper use of, or disclose to third parties, any confidential information unless that disclosure has been authorised by the Board or is required by law or by the ASX Listing Rules;
 - 14.4 observe the principles of independence, accuracy and integrity in dealings with the Board, board committees, internal and external auditors and senior management within the Company;
 - 14.5 act in accordance with this Board Charter and disclose to the Board any actual or perceived conflicts of interest, whether of a direct or indirect nature, of which the director becomes aware and which the director reasonably believes is material, in that it may or may be perceived to influence his vote or compromise the reputation or performance of the Company; and
 - 14.6 set a standard of honesty, fairness, integrity, diligence and competency in respect of the position of director.

ROLE OF THE CHAIRMAN

Objective

- 15 The Company recognises that it is important that the Chairman has a defined role in the organisation and operates in accordance with clear functional lines.
- 16 The role of Chairman requires a significant time commitment. The Chairman's other positions should not be such that they are likely to hinder effective performance in the role.

Specific duties of the Chairman

- 17 The Chairman will:
- 17.1 chair board meetings;
 - 17.2 establish the agenda for Board meetings, in consultation with the directors and the Company Secretary; and
 - 17.3 chair meetings of shareholders, including the Annual General Meeting of the Company.
- 18 The Chairman is responsible for:
- 18.1 leadership of the Board and for the efficient organisation and conduct of the Board's functions; and

- 18.2 facilitating the effective contribution of all directors and promoting constructive and respective relations between directors and between Board and management.

Role of the Chairman

- 19 The Chairman of the Board will be an independent non-executive director. The Chairman will be selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Company.
- 20 The roles of Chairman and Chief Executive Officer will be exercised by two separate individuals.

Specific duties of the Chief Executive Officer

- 21 The Chief Executive Officer will be responsible for the day to day management of the Company.

CONFIDENTIAL INFORMATION AND EXTERNAL COMMUNICATION

- 22 The Board has established the following principles to apply in respect of information of the Company:
- 22.1 generally, the Chairman will speak for the Company. Individual Board members are expected not to communicate on behalf of the Board or the Company without prior consultation with the Chairman;
- 22.2 any disclosure of information to a shareholder which is not disclosed to the market must be approved under the Continuous Disclosure Policy and must comply with the ASX Listing Rules; and
- 22.3 all directors are required to keep all information provided to them in their capacity as a director confidential, subject to paragraph 14.3 above.

CONFLICTS OF INTEREST

- 23 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 any actual or possible conflicts of interest.
- 24 If a director considers that he or she might be in a position where there is a reasonable possibility of conflict between his or her personal or business interests, the interests of any associated person, or his or her duties to any other company, on the one hand, and the interests of the Company or his or her duties to the Company, on the other hand, the Board requires that the director:
- 24.1 fully and frankly informs the Board about the circumstances giving rise to the conflict;
- 24.2 if requested by the Board, within seven days or such further period as may be permitted, take such steps necessary and reasonable to remove any conflict of interest; and
- 24.3 abstains from voting on any motion relating to the matter and absents himself or herself from all board deliberations relating to the matter, including receipt of Board papers bearing on the matter.
- 25 If a director believes that he or she may have a conflict of interest or duty in relation to a particular matter, the director should immediately consult with the Chairman (or, in the case of the Chairman, the Chairman should immediately consult with the other non-executive directors).

RELATED PARTY TRANSACTIONS

- 26 The Board has delegated to the Audit Committee responsibility for reviewing and monitoring related party transactions and investments involving the Company and its directors.

MEETINGS

Overview

- 27 The Board will meet not less than four times formally per annum and as frequently as may otherwise be required to deal with urgent matters.
- 28 A meeting of the Board will usually be convened by the Chairman.
- 29 All directors are expected to diligently prepare for, attend and participate in all Board meetings. At a minimum, a quorum of directors under the Company's Constitution is two directors. Meetings of the Board may be held or participated in by conference call or similar means. Resolutions of the Board may be passed by circular resolution or in writing in accordance with the Company's Constitution.
- 30 The Chairman, should ensure the availability and, if necessary, the attendance at the relevant meeting, of any member of the Company's executive management responsible for a matter included as an agenda item at the relevant meeting.

Agenda

- 31 An agenda will be prepared for each Board and Board committee meeting. The agenda will be prepared by the Company Secretary.
- 32 The following items will be standing items on the agenda unless otherwise determined by the Chairman:
- 32.1 approval of minutes of previous Board meeting (**Minutes**);
 - 32.2 items requiring Board approval;
 - 32.3 report of the Chief Executive Officer;
 - 32.4 directors' declarations; and
 - 32.5 matters arising from Minutes (*Note: that directors are expected to review the Minutes carefully and raise any concerns, requested amendments or seek clarification in the following Board meeting*).

BOARD COMMITTEES

- 33 In order to fulfil its duties, the Board has established the following committees:
- 33.1 the Audit Committee, which is responsible for monitoring and advising the Board on the Company's audit, risk management and regulatory compliance policies and procedures; and
 - 33.2 the Nomination and Corporate Governance Committee, which is responsible for advising the Board on the composition of the Board and its committees, reviewing the performance of the Board, its committees and the individual directors, ensuring the proper succession plans are in place and advising the Board in respect of the effectiveness of its corporate governance policies and developments in corporate governance.

- 34 Although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging its duties.
- 35 The composition of the membership, including the Chairman, of each of these committees will be as determined by the Board from time to time, subject to the following restrictions:
- 35.1 the composition of the Audit Committee, which will comprise at least three non-executive directors the majority of whom will be independent; and
- 35.2 the composition of the Nomination and Corporate Governance Committee Charter, which will comprise at least three members the majority of whom will be independent directors.
- 36 The Board will consider and approve the charters of the various committees. These Charters will identify the areas in which the Board will be assisted by each committee.
- 37 Each Committee will report regularly to the Board in accordance with their respective charters.

COMPANY SECRETARY

- 38 The Company Secretary is accountable to the Board through the Chairman, for:
- 38.1 advising the Board and Board committees in respect of all corporate governance matters, including the implementation of this Board Charter;
- 38.2 monitoring the Company's compliance in respect of all corporate governance matters, including the implementation of this Board Charter;
- 38.3 coordinating the timely completion and despatch of papers of the Board and Board committees;
- 38.4 ensuring the accurate drafting and circulation of the minutes of meetings of the Board and all Board committees for approval at the next meeting;
- 38.5 monitoring the Company's compliance with all disclosure obligations and regularly reviewing Company policies and procedures relating to compliance with such disclosure obligations; and
- 38.6 helping to organise and facilitate the induction and professional development of directors,
- unless delegated by the Board to another appropriate person.

INDEPENDENT ADVICE

- 39 A director of the Company is entitled to seek independent professional advice (including, but not limited to, legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures and subject to the conditions set out below:
- 39.1 a director must seek the prior approval of the Chairman;
- 39.2 in seeking the prior approval of the Chairman, the director must provide the Chairman with details of:
- 39.2.1 the nature of the independent professional advice;
- 39.2.2 the likely cost of seeking the independent professional advice; and

- 39.2.3 details of the independent adviser he or she proposes to instruct;
- 39.3 the Chairman may set a reasonable limit on the amount that the Company will contribute towards the cost of obtaining such advice;
- 39.4 all documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to the Company and to the director in his or her personal capacity. However, the right to advice does not extend to advice concerning matters of a personal or private nature, including for example, matters relating to the director's contract of employment with the Company (in the case of an executive director) or any dispute between the director and the Company; and
- 39.5 the Chairman may determine that any advice received by an individual director will be circulated to the remainder of the Board.

40 All directors are entitled to the benefit of the Company's standard Deed of Access, Indemnity and Insurance which provides ongoing access to Board Papers and, at the Company's expense, Directors and Officers insurance.

REMUNERATION

41 The level of director remuneration will be approved by the Board as noted in paragraph 5.14 or by members as the Company's Constitution may require.

ANNUAL REVIEW

- 42 The Board will review and prepare annually:
- 42.1 a self-evaluation of its performance against this Charter;
- 42.2 recommended goals and objectives for the coming year; and
- 42.3 recommended changes or improvements to this Charter if necessary.
- 43 The annual review may be done by way of an discussion in the relevant Board meeting or by way of a report by the Chairman, or some other independent director nominated by the Board.

REVISIONS OF THIS CHARTER

- 44 This Board Charter and any amendments to it must be approved by each director of the Company.
- 45 Each director is responsible for review of the effectiveness of this Charter and the operations of the Board and to make recommendations to the Board of any amendments to this Board Charter.