



4 May 2012

Ms Jinita Prasad
The Chief Executive Officer
South Pacific Stock Exchange
Level 2, Plaza 1
FNPF Boulevard
SUVA

Dear Ms Prasad,

Corporate Governance Statement

In accordance with the Reserve Bank of Fiji's Corporate Governance Code, Kontiki Growth Fund Ltd (KGF or "the Company") provides a supplementary corporate governance statement for the year ending 31 December, 2011 in the attachment.

This statement provides additional information to what is contained in the KGF 2011 Annual Report.

KGF is committed to following best practice in corporate governance and reporting and has been compliant with all RBF guidelines.

Yours sincerely,

Melaia Vasuca
Company Secretary

Principle	Comments
<p>Establish clear responsibilities for Board oversight</p>	<p>Kontiki Growth Fund is managed by Kontiki Capital Ltd (KCL) under a <i>Management Agreement</i>.</p> <p>Under the Management Agreement, KCL is responsible for:</p> <ul style="list-style-type: none"> • Managing KGF's investment portfolio including making investment decisions on behalf of the Company; • Researching and identifying prospective investments; • Marketing KGF to potential investors; • Keeping KGF informed of relevant issues relating to the investment portfolio; • Assisting the administrator in the preparation of information required by the Company, shareholders, regulators, auditors and other stakeholders; • Assisting the Administrator with valuations of the Net Asset Value of the Company; and • Acting in the interests of the Company at all times and exercising the care and skill expected of a prudent investment manager. <p>In addition, the Agreement sets out policies on a range of other matters including fees, conflicts of interest, borrowings, dividends, risk and general administration which KCL is required to adhere to.</p> <p>The work of KCL as Manager is overseen by the Board. The Board is charged with overseeing the investment portfolio and operations of KGF.</p> <p>In addition, although the Management Agreement in effect allows the Manager to select investments independently, KGF's policy is that all investment decisions as well as other significant decisions must also be approved at Board level.</p>
<p>Constitute an Effective Board</p>	<p>At the end of the financial year 31 December 2011, there were 5 Directors, the majority (3) of whom were independent directors:</p> <ul style="list-style-type: none"> • Mr. Hari Punja – Chairman • Mr. Daryl Tarte • Mr. David Oliver • Mr. Jack Lowenstein • Mr. Michael Makasiale <p>All board members bring extensive experience in business, investment and management.</p> <p>KGF has a policy of having the Chairmanship held by an independent director.</p> <p>Directors' fees are paid to independent board members only.</p>

Appointment of a Chief Executive Officer	<p>The traditional role of CEO is undertaken by KCL under a <i>Management Agreement</i> with KGF as mentioned above.</p> <p>KCL and its representatives are licensed and regulated by the Reserve Bank of Fiji.</p>
Board and Company Secretary	<p>The Board is assisted by two Company Secretaries, both of whom are senior members of KCL's staff.</p>
Timely and balanced disclosure	<p>As a listed company, KGF is subject to the rules and regulations for listed companies as set out by the South Pacific Stock Exchange and Reserve Bank of Fiji.</p> <p>This includes regular communications with its various stakeholders and disclosure of material matters.</p>
Promote ethical and responsible decision-making	<p>KGF believes that all directors and its manager uphold high ethical standards, honesty, fairness and equity in all their dealings with the Company.</p>
Register of interests	<p>The directors and manager of KGF are required to disclose any potential and actual conflicts of interest that may arise in the course of the business. A register of interests is kept at both the board and Manager level.</p>
Respect the rights of Shareholders	<p>An Annual General Meeting (AGM) is held every year in accordance with the Article of Association and shareholders are encouraged to actively participate.</p> <p>The Company's annual report is published each year and circulated to the shareholders prior to the AGM.</p>
Accountability and audit	<p>KGF is audited annually by independent auditors Ernst & Young.</p>
Recognise and manage risks	<p>Under the Management Agreement, KCL is required to act in the interests of the Company at all times and exercise the care and skill expected of a prudent investment manager. The management of risk is an important part of this requirement.</p>