Global Masters Fund

CORPORATE GOVERNANCE

Capital Management Framework

Global Masters Fund Limited | ABN 84 109 047 618 | ASX: GFL

ADOPTED BY THE BOARD	NEXT REVIEW	SUPERSEDES
2 November 2026	November 2027	New policy

1 PURPOSE AND PHILOSOPHY

Global Masters Fund Limited (the **Company** or **GFL**) is a long-term capital growth vehicle. Its overriding objective is to maximise long-term shareholder wealth through the compounding of retained capital, consistent with its philosophy of *Built on Quality. Driven by Compounding.*

This Framework sets out how the Board makes capital management decisions: how the Company's capital is retained, reinvested, returned or restructured. It provides the governing context for the Dividend Policy and operates together with the Board Charter.

> Capital is retained and reinvested by default. It is returned to shareholders only where doing so is clearly more value-accretive than retaining it.

The Company believes that retaining and reinvesting capital in high-quality assets generally produces greater long-term wealth for shareholders than distributing it, as shareholders do not pay personal tax on earnings the Company retains.

2 OBJECTIVES

In managing capital, the Board seeks to:

(a) maximise long-term growth in net tangible assets (**NTA**) per share;

(b) maintain the financial strength and flexibility needed to invest through market cycles and to fund opportunities as they arise;

(c) manage the relationship between the Company's share price and its NTA per share over time; and

(d) make capital decisions that are tax-aware and in the interests of shareholders as a whole.

3 CAPITAL MANAGEMENT PRIORITIES

The Board applies the following order of priority when allocating the Company's capital:

(a) **Reinvestment in high-quality assets.** This is the first and primary use of capital. Realised proceeds, income and accumulated capital are reinvested in the portfolio in accordance with the Company's investment strategy, to compound over the long term. Proceeds from repositioning the portfolio, including the managed reduction of legacy holdings, are by default reinvested rather than distributed.

(b) **Balance sheet strength and liquidity.** The Company maintains sufficient liquidity and prudent balance sheet settings to meet its obligations, including any borrowings or convertible securities, and to act on opportunities.

(c) **Borrowings and convertible securities.** See section 5.

(d) **On-market buy-backs.** See section 4.

(e) **Distributions to shareholders.** This is the lowest-priority and least frequent use of capital, considered only in accordance with the Dividend Policy.

4 SHARE PRICE, NTA AND BUY-BACKS

The Board monitors the relationship between the Company's share price and its NTA per share. The Board's primary tools for addressing any persistent discount are sustained investment performance and clear, consistent communication with shareholders and the market.

The Board may also undertake an on-market buy-back where it considers that buying back shares at a discount to NTA is accretive to NTA per share for continuing shareholders and is a better use of capital than the alternatives, having regard to liquidity, the available investment opportunities and the Company's objectives. Any buy-back will be conducted in accordance with the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

5 BORROWINGS AND CONVERTIBLE SECURITIES

Where the Company has borrowings or convertible securities on issue, such as the GFL Convertible Notes, the Board will manage the Company's capital position so that it can meet its obligations, will plan for the capital and dilution effects of conversion or repayment before maturity, and will disclose material developments in accordance with the Continuous Disclosure Policy.

6 DISTRIBUTIONS

Distributions are governed by the Dividend Policy. Consistent with this Framework, the Company's default position is to retain and reinvest capital. The Board considers a distribution only where it is satisfied that the distribution is clearly more beneficial to shareholders, after tax, than retention, and would not compromise the Company's strategy or the compounding of NTA per share. The Dividend Policy sets out the factors the Board weighs and the process it follows.

7 CAPITAL RAISINGS

The Board may raise additional capital where it considers that doing so is in the interests of shareholders, for example to fund attractive investment opportunities, having regard to the effect on existing shareholders, the relationship between the share price and NTA per share, and the available alternatives. This includes any underwriting of a dividend reinvestment plan. Any capital raising will comply with the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

8 GOVERNANCE AND DISCLOSURE

Capital management decisions are reserved for the Board. Where a decision involves the Manager or another related party, including as an underwriter or participant in a capital raising, it will be managed under the Conflicts and Related Party Policy, and Directors with a material personal interest will not take part in the decision. Material capital management decisions will be disclosed in accordance with the Continuous Disclosure Policy and the Company's periodic reporting.

9 REVIEW

The Board will review this Framework at least annually, and earlier on a material change in the Company's strategy, tax circumstances or capital structure.