

HDMF MANUAL OF CORPORATE GOVERNANCE

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SECTION VII

FIDUCIARY DUTIES OF TRUSTEES AND EXECUTIVE OFFICERS

1. Respect for and Obedience of the Constitution and the Law

A Trustee or Officer shall respect and obey the Constitution, the Charter, and all statutes, rules and regulations applicable to the Fund.

2. Duty of Diligence

The fiduciary duty of diligence of the Trustees and Officers to always act in the best interest of the Fund, with utmost good faith in all its dealings with the property and monies of the Fund, includes the obligation to:

2.1 To exercise extraordinary diligence, skill and utmost good faith in the conduct of the business and in dealing with the properties of the Fund, using the utmost diligence of very cautious person with due regards for all the circumstances;

2.2 To apply sound business principles to ensure the financial soundness of the Fund; and

2.3 To elect and/or employ only Officers who are fit and proper to hold such office with due regard to the qualifications, competence, experience and integrity.

Every Trustee or Officer affirms to have a working knowledge of the statutory and regulatory requirements affecting the Fund, including the contents of the Charter and the requirements of the GCG, and where applicable, the requirements of other supervising or regulatory agencies. A Trustee shall also keep himself informed of industry developments and business trends in order to safeguard the Fund's interests and its competitiveness.

3. Duty of Loyalty

The fiduciary duty of loyalty of Trustees and Officers to always act in the best interest of the Fund, with utmost good faith in all its dealings with the property and monies of the Fund, includes the obligation to:

3.1 To act with utmost and undivided loyalty to the Fund;

3.2 To avoid conflicts of interest and declare any interest they may have in any particular matter before the Board; and

3.3 Avoid (1) taking for themselves opportunities related to the Fund's business; (2) using the Fund's property, information or position for personal gain; or (3) competing with the Fund's business opportunities.

4. Avoid Conflict of Interest

Trustees and Officers shall at all times avoid any actual or potential conflict of interest with the Fund. Each shall also avoid any conduct, or situation, which could reasonably be construed as creating an appearance of a conflict of interest.

Any question about a Trustee's or Officer's actual or potential conflict of interest with the Fund shall be brought promptly to the attention of the Chairman of the Board, who will review the question and determine an appropriate course of action.

5. Corporate Opportunities.

Where a Trustee or an Officer, by virtue of the office, acquires or receives for oneself a benefit or profit, of whatever kind or nature including, but not limited to, acquisition of shares in corporations where the Fund has an interest, using the properties of the Fund for their own benefit, receiving commission on contracts from the Fund's assets, or taking advantage of corporate opportunities of the Fund, all such profits or benefits shall be subject to restitution, without prejudice to any administrative, civil or criminal action against the Trustees and/or Officers. This provision shall be applicable notwithstanding the fact that such Trustee or Officer risked one's own funds in the venture.

6. Limits to Compensation, Per Diems, Allowances and Incentives.

The compensation, per diems, allowances and incentives of the Trustees shall be in accordance with existing laws, rules and regulations.

7. No Gift Policy

The Board shall enact a "No Gift Policy" Rule within the Fund and shall ensure its full advertisement to the community and its strict implementation.

8. Duty of Confidentiality.

Pursuant to their duties of diligence and loyalty, a member of the Board or an Officer shall not use or divulge confidential or classified information officially made known to them by reason of their office and not made available to the public, either: (a) to further their private interests, or give undue advantage to anyone; or (b) which may prejudice the public interest.

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