

## AUDIT, RISK & COMPLIANCE COMMITTEE CHARTER

19 December 2017



The Audit, Risk & Compliance Committee (previously known as the Audit and Risk Committee) is appointed by and reports to the Board of Platinum Asset Management Limited ABN 13 050 064 287.

The role and responsibilities, composition, structure and membership requirements of the Committee are prescribed by this Charter.

### A. OBJECTIVES

1. The role of the Committee is to assist the Board in fulfilling its responsibilities by:
  - a. serving as an independent and objective party to review the accounting practices and financial information of the Company as reported by the Company to Shareholders, regulators and exchanges (ASIC and ASX);
  - b. ensuring a risk management framework is in place that identifies, evaluates, monitors and reports significant risks to the Platinum Group;
  - c. considering the adequacy and effectiveness of the Platinum Group's administrative, operating and accounting controls as a means of ensuring that the Platinum Group's affairs are being conducted in compliance with legal, regulatory and policy requirements;
  - d. overseeing and assessing the quality of audits conducted by the Auditor and Platinum's internal audit function;
  - e. reviewing the Company's corporate standards of behaviour; and
  - f. maintaining (by scheduling regular meetings) open lines of communication between the Board, the Auditor and Platinum's Chief Compliance Officer to exchange views and information, as well as confirm their respective authority and responsibilities.
2. The Committee has no management role.

### B. COMPOSITION

1. The Board will consider the composition of the Committee on an annual basis and determine whether it remains of sufficient size and independence and has the necessary technical expertise to discharge its mandate effectively.

2. The Committee will have at least three (3) members. The Committee is to be entirely comprised of Non-Executive Directors, with a majority being 'independent' (as defined by the Company's Board Charter and Directors' Independence Policy).
3. Each member must be financially literate, with at least one (1) member being a qualified accountant or other finance professional with experience in financial and accounting matters. At least one (1) member must have an understanding of the financial services industry.
4. The Committee will be chaired by an 'independent' Director, who is not the Chair of the Board.
5. The Secretary of the Committee will be the Company Secretary, or such other person as nominated by the Board.

### C. TERM OF MEMBERSHIP

1. Members will be appointed by the Board for a term as considered appropriate by the Board.
2. A member of the Committee that ceases to be a Director of the Board will automatically cease to be a member of the Committee.
3. Where a member ceases to be 'independent', the Committee will consult with the Board as to composition of the Committee going forward.

### D. MEETINGS

1. The Committee will meet at least three (3) times a year. Dates will be set so that the Committee can:
  - a. review and approve the annual letter of appointment and audit plan of the Auditor;
  - b. review, with the Auditor in attendance, the half-yearly accounts and half-yearly reports; and
  - c. review, with the Auditor in attendance, the annual accounts and annual report.

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2. Special meetings may be convened as required or requested by the Chair of the Committee, a Director or the Board.
3. Attendance by members at Committee meetings will be disclosed in the Company's annual report.
4. A quorum is two (2) Committee members. In the absence of the current Chair, another member will be appointed as the Chair of the meeting.
5. Decisions will be determined by a majority vote, but the Chair of the Committee will report the fact of a dissenting vote to the Board when reporting the decision to the Board. The Chair of the Committee will not have a casting vote.
6. Platinum's Finance Director, Chief Compliance Officer, General Counsel and Finance Manager will be invited to attend meetings as determined by the Committee. The Auditor will be invited to attend meetings as determined by the Committee and will be given the opportunity to meet with the Committee in the absence of Platinum's management.
7. The Committee may require any other Platinum staff to attend Committee meetings from time to time. This will be organised by the Secretary of the Committee.
8. The Managing Director and the other Board members may attend meetings of the Committee at any time.
9. The Secretary of the Committee, in conjunction with the Chair of the Committee, is responsible for:
  - a. drawing up the agenda and circulating it and supporting papers to Committee members prior to each meeting; and
  - b. keeping minutes of meetings of the Committee, and circulating them to Committee members.
10. The Chair of the Committee is responsible for presenting the Committee's report to the Board following each meeting of the Committee.

### E. ACCESS AND AUTHORITY

1. The Committee is authorised by the Board to investigate any activity within its Charter.
2. The Committee has authority (within the scope of its responsibilities) to seek any information it requires from any Platinum employee or external party.
3. The Committee is authorised by the Board to consult independent experts (at the Company's expense) where the Committee considers it necessary to carry out its duties. The Committee will notify the Finance Director prior to exercising its rights under this section.
4. The Committee may meet with the Auditor and Platinum staff without Platinum's management present.

### F. DUTIES AND RESPONSIBILITIES

1. The duties and responsibilities of the Committee are as set out in this section. However, the Board may delegate other responsibilities and functions to the Committee from time to time.

#### Financial Reporting

2. Review the integrity of the half-year and annual financial statements with the Finance Director and Auditor and make recommendations to the Board having regard to:
  - a. any changes in accounting policies and practices;
  - b. major judgemental areas;
  - c. significant adjustments resulting from the audit;
  - d. the going concern assumption;
  - e. compliance with relevant accounting standards;
  - f. compliance with the ASX Listing Rules and *Corporations Act 2001* (Cth) requirements; and
  - g. compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations – 3<sup>rd</sup> Edition.

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3. Require reports from the Auditor, Platinum's Finance Director, General Counsel, Chief Compliance Officer and Finance Manager (as relevant) on any significant proposed legal, regulatory, accounting or reporting issue, to assess the potential impact upon the Company's financial reporting process.
4. Review any recommendations from Platinum's Finance Director on accounting policy changes.
5. Review reports from Platinum's Finance Director in respect of a qualified audit report issued to the Company or any of its subsidiaries (including in relation to any of the Platinum Group's financial products).

### **Risk Management**

6. Ensure a risk management framework is in place to ensure (as far as reasonably practicable) significant risks to the Platinum Group are identified, evaluated, treated, monitored and reported.
7. Consider the adequacy and effectiveness of the Platinum Group's administrative, compliance, operating and accounting policies as a means of ensuring the Platinum Group's affairs are being conducted in compliance with legal, regulatory and policy requirements.

### **Legal and Compliance**

8. Review any significant legal and/or compliance issues affecting the Platinum Group and monitor actions taken by Platinum's management to address them.
9. Review any legal and/or regulatory reports submitted to the Company concerning matters within the Committee's Charter and monitor Platinum management's response to them.
10. Review reports from Platinum's Chief Compliance Officer in relation to compliance matters.
11. Review reports from Platinum's General Counsel in relation to corporate governance matters.
12. Review practices and policies within the Company against established ethical guidelines and relating to probity or the reputation of the Company.

13. Monitor the standard of corporate conduct in areas such as arm's length dealings and potential conflicts of interests.
14. Review and monitor the propriety of all related party transactions.

### **Review of Reports and Communications**

15. Review recommendations from the Finance Director and/or Auditor on key financial and accounting principles to be adopted by the Company in the preparation of its statutory financial reports and statements.
16. Review reports from the Chief Compliance Officer dealing with:
  - a. the Platinum Group's risk management and compliance frameworks; and
  - b. significant risk exposures and risk events including any major failures in the operation of key internal control systems.
17. Review reports from Platinum's internal audit function on results of, and status in respect of, the internal audit plan of the Platinum Group.
18. Review reports from Platinum's management on key risk issues, as requested by the Committee from time to time.
19. Review reports and enquiries from Shareholders on accounting or auditing matters. Ensure that such reports or queries from Shareholders are dealt with expeditiously.

### **External Auditor**

20. Recommend to the Board the appointment of the Auditor.
21. Review and approve the Auditor's audit plan and audit fees.
22. Review and approve the performance of the Auditor to ensure that the Auditor remains competent and independent.
23. Review to ensure that the Auditor has full access to information and that no unacceptable restrictions are placed on him/her.
24. Ensure the rotation of external audit engagement partner every five years.
25. Review written reports from the Auditor in respect of internal controls and

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monitor Platinum's management's response and action.

26. Monitor the extent of non-audit services provided by the Auditor to the Company and reports arising from those services.
27. Annually review the performance of the Auditor.

### Internal Audit

28. Consider reports from the Platinum's Chief Compliance Officer in respect of the Platinum Group's internal control environment and monitor Platinum's management's responses / actions to any significant finding / recommendations.
29. Review to ensure there is proper coordination between internal audit function and the Auditor and that the internal audit function is adequately resourced and has appropriate standing.
30. Consider the overall effectiveness of both internal audit function and the Auditor through the meetings of the Committee.

### Committee Reporting

31. Following each meeting, the Committee will report fully to the Board.
32. The Committee's report will contain all matters relevant to the Committee's roles and responsibilities, including:
  - a. an assessment of whether external reporting complies with legal and regulatory requirements and is adequate for Shareholder needs;
  - b. assessment of Platinum's management processes supporting external reporting;
  - c. procedures for the selection and appointment of the Auditor and for the rotation of the audit partner;
  - d. recommendation for the appointment or removal of an Auditor;
  - e. assessment of the performance and independence of the Auditor - where the Auditor provides non-audit services, the report should state whether the Committee is satisfied that the provision of those services has not compromised the Auditor's independence;

- f. assessment of the performance and objectivity of the internal audit function; and
- g. the results of the Committee's review of risk management and internal control systems.

### G. ANNUAL PERFORMANCE REVIEW

1. On an annual basis the Committee will consider its performance and confirm whether it has fulfilled its responsibilities to the Company, as outlined in this Charter. In its review, the Committee will obtain feedback from the Board on the Committee's performance and implement any agreed actions.
2. The Board conducts an annual formal review of the performance of the Committee. The Committee will provide any information that the Board may request to facilitate its review of the Committee's performance.

### H. GLOSSARY

<b>ASX</b>	ASX Limited (ACN 008 624 691)
<b>Auditor</b>	Company's external auditor
<b>Board</b>	board of Directors
<b>Chair</b>	chairperson of the Committee
<b>Charter</b>	this Committee charter
<b>Committee</b>	Company's Audit, Risk and Compliance Committee
<b>Company</b>	Platinum Asset Management Limited (ABN 13 050 064 287)
<b>Company Secretary</b>	secretary of the Company
<b>Corporations Act</b>	Corporations Act 2001 ( <i>Cth</i> ), as amended from time to time
<b>Director</b>	director of the Company
<b>Listing Rules</b>	ASX listing rules, as amended from time to time

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<b>Platinum</b>	Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935
<b>Platinum Group</b>	the Company and its subsidiary companies (including Platinum)
<b>Shareholder</b>	holder of shares in the Company