

## AUDIT, RISK & COMPLIANCE COMMITTEE CHARTER

17 August 2021



The Audit, Risk & Compliance Committee is appointed by and reports to the Board of Platinum Asia Investments Limited ABN 13 606 647 358.

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

### A. OBJECTIVES

1. The principal role of the Committee is to assist the Board in fulfilling its responsibilities relating to the Company's financial reporting and accounting practices, internal control structure, risk management systems and the external audit function.
  2. The Committee will:
    - a. serve as an independent and objective party to review the adequacy of the Company's corporate reporting processes;
    - b. review and recommend to the Board the Company's financial statements (including key financial and accounting principles adopted by the Company) to ensure they provide a true and fair view of the financial position and performance of the Company;
    - c. make recommendations to the Board regarding the appointment or removal of the Auditor and monitor the conduct of the audits;
    - d. oversee and assess the performance, quality and independence of the Auditor;
    - e. make recommendations to the Board regarding the fees payable to the Auditor for both audit and non-audit work;
    - f. recommend to the Board the risk appetite for the Company and ensure that an appropriate risk management framework is in place so that significant risks (financial and non-financial risks) to the Company are identified, evaluated, monitored and reported;
- g. make recommendations to the Board in relation to changes that should be made to the Company's risk management framework or to the risk appetite set by the Board;
  - h. monitor Platinum's and other key service providers' performance against the entity's risk management framework, including whether it is operating within the risk appetite set by the Board;
  - i. consider the adequacy and effectiveness of the Company's internal control and governance framework as a means of ensuring that the Company's affairs are being conducted in compliance with legal, regulatory and policy requirements and the Company's stated risk appetite;
  - j. review any material incident involving fraud or a break-down of the entity's risk controls and the "lessons learned";
  - k. monitor the Company's compliance with its legal and regulatory obligations;
  - l. review and monitor the adequacy of management information provided to the Company by Platinum;
  - m. oversee the Company's insurance program, having regard to the Company's business and the insurable risks associated with its business; and
  - n. maintain open lines of communication between the Board, the Auditor and Platinum's senior management.

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### **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).
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 will 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 of the Company, 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 four (4) 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 external Auditor;
  - b. review, with the external Auditor in attendance, the half-yearly accounts and half-yearly reports; and
  - c. review, with the external Auditor in attendance, the annual accounts and annual report.
2. Special meetings may be convened as required or requested by the Chair of the Committee, a Director or the Board.
3. 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.
4. Decisions will be determined by 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.
5. Platinum's Finance Director, General Counsel, Chief Compliance Officer and Head of Finance will be invited to attend meetings as determined by the Committee. The external 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.
6. Board members may attend meetings at any time.
7. The Committee may require other Platinum staff to attend from time to time.

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8. After consultation with the Chair of the Committee, the Secretary 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 and other members of the Board.
9. The Chair 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 (through the Board) 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 Chair prior to exercising its rights under this clause.

### F. DUTIES AND RESPONSIBILITIES

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

1. Review the integrity of the half-year and annual financial reports and statements 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 ASX Listing Rules, the *Corporations Act 2001* (Cth) and ASX Recommendations.

2. Require reports from the external Auditor and Platinum's management (as relevant) on any significant proposed regulatory, accounting or reporting issue, to assess the potential impact upon the Company's financial reporting process.
3. Review recommendations from Platinum's Finance Director and/or external Auditor on key financial and accounting policies and principles to be adopted by the Company in the preparation of its statutory financial reports and statements.
4. Review reports from Platinum's management in respect of a qualified audit report issued to the Company.

#### External Auditor

5. Recommend to the Board the appointment of the external Auditor.
6. Review the external Auditor's audit plan and audit fees for both audit and non-audit work.
7. Review the performance of the Auditor at least annually to ensure that the Auditor remains competent and independent.

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8. Ensure that the external Auditor has full access to information and suffers no unacceptable management or other restrictions.
9. Ensure the rotation of audit engagement partners every five (5) years.
10. Review written reports from the external Auditor in respect of internal controls and monitor Platinum's management's response and action.
11. Monitor the extent of non-audit services provided by the external Auditor to the Company and reports arising from those services.

### Net Tangible Asset Backing

12. Review the effectiveness of the timing for and processes relating to the release of the Company's Net Tangible Asset backing announcements to ASX.

### Risk Management and Internal Control Framework

13. Recommend the risk appetite of the Company and ensure that an effective risk management framework is in place such that significant risks (financial and non-financial) to the Company are identified, evaluated, monitored and reported.
14. Consider the adequacy and effectiveness of the Company's internal control and governance framework (administrative, operational, accounting and tax governance framework) as a means of ensuring the Company's affairs are being conducted in compliance with legal, regulatory and policy requirements.
15. Review reports from the Chief Compliance Officer dealing with:
  - a. the Company's risk management and internal control framework; and
  - b. significant risk exposures and risk events including any major failures in the operation of key internal control systems.

16. Review reports from Platinum's management on key risk issues, and new and emerging sources of risk for the Company as requested by the Committee from time to time.
17. Review and monitor the adequacy of Platinum's management information and internal control systems, including: asset valuations, expenditure controls, counterparty exposures, insurance and risk management.
18. Review the Company's insurance program having regard to the Company's business and insurable risks and inform the Board regarding the same.

### Legal and Compliance

19. Review any significant legal, regulatory and/or compliance issues affecting the Company and monitor actions taken by Platinum's management to address them.
20. Monitor the standard of corporate conduct in areas such as arm's length dealings and potential conflicts of interests.
21. Review and monitor the propriety of all related party transactions.
22. Review reports from Platinum's General Counsel in relation to legal, regulatory and corporate governance matters affecting the Company.

### Internal Audit

23. The Company does not have an internal audit function but considers reports from Platinum's Chief Compliance Officer in respect of the adequacy of Platinum's processes for managing risks impacting the Company, and monitors Platinum's management's responses/actions to any significant finding/recommendations.

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### Shareholders

24. Review reports and enquiries from Shareholders on accounting or auditing matters. Ensure that such reports or queries from Shareholders are dealt with expeditiously.

### Committee Reporting

Following each meeting, the Committee Chair will report fully to the Board.

### G. ANNUAL PERFORMANCE REVIEW

1. On an annual basis the Committee will obtain feedback from the Board on the Committee's performance and implement any agreed actions.
2. 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>ASX Recommendations</b>	the ASX Corporate Governance Council "Corporate Governance Principles and Recommendations" (as amended from time to time)
<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 Asia Investments Limited (ABN 13 606 647 358)
<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
<b>Platinum</b>	Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935, in its capacity as investment manager and/or administrator of the Company, as the context requires
<b>Shareholder</b>	holder of shares in the Company