

## AUDIT, RISK & COMPLIANCE COMMITTEE CHARTER

26 October 2017



The Audit, Risk & Compliance Committee is appointed by and reports to the Board of Platinum Capital Limited ABN 51 063 975 431.

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:
  - serve as an independent and objective party to review the financial information presented by the Company to Shareholders, regulators and exchanges (ASIC and ASX);
  - review and monitor risks and the implementation of mitigation measures for those risks as appropriate;
  - consider the adequacy and effectiveness of the Company's administrative, operating and accounting controls as a means of ensuring that the Company's affairs are being conducted by Platinum's management in compliance with legal, regulatory and policy requirements;
  - oversee and assess the quality of audits conducted by the Auditor and Platinum's internal audit function; and
  - maintain (by scheduling regular meetings) open lines of communication among the Board, the Auditor and Platinum's Chief Compliance Officer to exchange views and information, as well as confirm their respective authority and responsibilities.

### 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.

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### D. MEETINGS

1. The Committee will meet at least three (3) times a year. Dates will be set so that the Committee can:
  - review and approve the annual letter of appointment and audit plan of the Auditor.
  - review, with the Auditor in attendance, the half-yearly accounts and half-yearly reports; and
  - review, with the 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, Chief Compliance Officer 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.
6. Board members may attend meetings at any time.
7. The Committee may require other Platinum staff to attend from time to time.

8. After consultation with the Chair of the Committee, the Secretary of the Committee is responsible for:
  - drawing up the agenda and circulating it and supporting papers to Committee members prior to each meeting; and
  - 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

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 Auditor and Platinum's Finance Director and make recommendations to the Board having regard to:

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- 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 and the *Corporations Act 2001* (Cth);  
and
  - g. compliance with ASX Recommendations.
3. Require reports from the Auditor, Platinum's Finance Director, Chief Compliance Officer, General Counsel and Finance Manager (as relevant) on any significant proposed regulatory, accounting or reporting issue, to assess the potential impact upon the Company's financial reporting process and its results.
  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.

### **Risk Management**

6. Ensure significant risks to the Company are identified, evaluated, treated (if practicable), monitored and reported.
7. Consider the adequacy and effectiveness of the Company's administrative, operating and accounting framework as a means of ensuring the Company's affairs are being conducted in compliance with legal, regulatory and policy requirements.

8. Review the Company's insurance program having regard to the Company's business and insurable risks and inform the Board regarding the same.
9. Review and monitor the adequacy of Platinum's management information and internal control systems, including: asset valuations, expenditure controls, counterparty exposure, insurance and risk management.

### **Compliance**

10. Monitor the Company's corporate compliance with statutory obligations and advise the Board of any failure.
11. Review any regulatory reports submitted to the Company concerning matters within the Committee's Charter.
12. Review reports prepared by Platinum's Chief Compliance Officer in conjunction with Platinum's Finance Director in relation to compliance matters.
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 Platinum's 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 prepared by Platinum's Chief Compliance Officer in conjunction with Platinum's Finance Director.
17. Review any reports prepared by Platinum's General Counsel.
18. Review reports from Platinum's management on key risk issues, as requested by the Committee from time to time.

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19. Review enquiries from Shareholders on accounting or auditing matters.

### Net Tangible Asset Backing

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

### Auditor

21. Recommend to the Board the appointment of the Auditor.
22. Review the Auditor's audit plan and audit fees.
23. Review to ensure that the Auditor remains competent and independent.
24. Review to ensure that the Auditor has full access to information and suffers no unacceptable management or other restrictions.
25. Monitor the rotation of audit engagement partners every five (5) years.
26. Review written reports from the Auditor in respect of internal controls.
27. Monitor the extent of non-audit services provided by the Auditor to the Company and reports arising from those services.
28. Review annually the performance of the Auditor.

### Internal Audit

29. Consider reports from Platinum's Chief Compliance Officer prepared in respect of the Company's internal control environment relating to the Company and monitor Platinum's management's responses/actions to any significant finding/recommendations.

### Committee Reporting

30. Following each meeting, the Committee will report to the Board.

31. The Committee's report will contain all matters relevant to the Committee's role and responsibilities, including:

- a. an assessment of whether external reporting complies with regulatory requirements and is adequate for shareholder needs;
- b. assessment of management processes supporting external reporting;
- c. recommendation for the appointment or removal of the Auditor;
- d. 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; and
- e. 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 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

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<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 Capital Limited (ABN 51 063 975 431)
<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