

## BOARD OF DIRECTORS' CHARTER

26 October 2017



### A. INTRODUCTION

Platinum Capital Limited ABN 51 063 975 431 is an ASX listed investment company.

The Board of the Company has adopted, and operates in accordance with, this Charter.

In carrying out its responsibilities, the Board will at all times recognise its overriding responsibility to act honestly, fairly, diligently and in accordance with the duties and obligations imposed upon it by the Constitution, the ASX Listing Rules and under Australian laws, including without limitation the Corporations Act.

The Company has appointed Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935, as its Investment Manager and Administrator pursuant to an Investment Management Agreement and an Administrative Services Agreement, respectively.

### B. ROLE AND RESPONSIBILITIES

The Board is responsible for the overall operation, strategic direction, leadership and integrity of the Company, and is responsible for its long-term health, growth and prosperity. To this effect, the Board is responsible for:

- providing and implementing the Company's strategic direction;
- approving and monitoring the capital management of the Company;
- approving the establishment and operation of any dividend reinvestment plan;
- approving the Company's accounting policies;
- approving the appointment of the external auditors and the audit plan of the external auditor;
- monitoring and appraising the financial performance of the Company including approving the annual and half yearly financial accounts and reports;
- declaring the amount of profits available for payment of dividends, fixing the amount of a dividend to be recommended to shareholders, and declaring and making arrangements for the payment of interim dividends in accordance with the Constitution;

- ensuring that the Company operates in compliance with the Constitution and its legal and regulatory obligations;
- ensuring good corporate governance policies and practices are adopted;
- ensuring that significant risks facing the Company are identified and that appropriate controls, monitoring and reporting mechanisms are put in place;
- monitoring and assessing the performance of the Investment Manager and the Administrator, to ensure they:
  - are complying with the terms of the Investment Management Agreement and Administrative Services Agreement, respectively;
  - are performing their duties in a skilful and diligent manner;
  - employ qualified and experienced staff; and
  - have appropriate risk management and compliance programs in place;
- overseeing communications and reporting to Shareholders;
- approving the appointment and removal of the Chair, Company Secretary, Directors (each as herein defined) and the members of any delegated committees;
- setting the charters of the delegated committees of the Board;
- monitoring and reviewing the performance of the delegated committees of the Board and of the Board itself;
- reviewing reports from the Audit, Risk and Compliance Committee of the Board;
- ensuring that appropriate remuneration policies and practices are in place for the Directors (including the members of any delegated committees), having regard to relevant law and best practice; and
- ensuring that the Board is comprised of individuals who are best able to discharge the responsibilities of Directors having regard to relevant law and best practice.

### C. COMPOSITION

1. The Board is to comprise of only non-executive Directors, the majority of which must be independent.

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2. The Directors shall appoint as Chair of the Board one (1) of the Directors.

3. The Directors may elect the Chair for such period as they determine.

### D. DIRECTOR TERM OF OFFICE

The Constitution specifies that no Director with the exception of the Managing Director (if appointed) may hold office for a continuous period (without re-election) past the longer of 3 years and the third AGM following his/her appointment (last election). Where eligible, a Director may stand for re-election.

### E. CHAIR AND MANAGING DIRECTOR

1. The Company does not have a Managing Director since the Board is comprised of only non-executive Directors.

2. The Chair is responsible for leading the Board, ensuring the Board's activities are organised and efficiently conducted, overseeing the processes and procedures in place to evaluate the performance of the Board, its committees and the Directors, and for facilitating effective discussions at Board meetings.

3. The Chair will:

- a. chair Board meetings;
- b. establish the agendas for Board meetings, in consultation with the Company Secretary;
- c. chair meetings of Shareholders, including the AGM of the Company.

4. The roles of Chair and Managing Director (if appointed) may not be undertaken by the same person.

### F. CONDUCT OF DIRECTORS

1. Each Director must comply with the Director's Code of Conduct and the Company's Securities Trading Policy.

2. The Directors must ensure that any updated personal information is provided to the Company Secretary in a timely fashion to enable the Company Secretary to make any necessary filings with the ASX and/or ASIC.

### G. COMPANY SECRETARY

3. The Company Secretary is accountable to the Board, through the Chair, for all governance matters to do with the proper functioning of the Board.

4. Each Director has unrestricted access to the Company Secretary.

5. The appointment and removal of the Company Secretary must be determined by the Board.

### H. MEETINGS

1. The Board will meet at least three (3) times a year.

2. A Director may at any time convene a Board meeting. However, reasonable notice must be given to all members of the Board.

3. A quorum is two (2) Directors.

4. The Company Secretary shall ensure that all Directors receive meeting papers at least four (4) days prior to the Board meeting.

5. The Company Secretary shall take minutes of the Board meetings and will ensure all members of the Board receive a copy.

6. If the current Chair is not present at a Board meeting, the Directors present will elect one of them to be the Chair of the meeting.

7. Questions arising at a Board meeting will be decided by a majority of votes of Directors present and voting, and any such decision shall be taken to be a decision of all Directors.

8. The Chair of the meeting has a casting vote in addition to his/her deliberative vote, provided that:

- a. more than two (2) Directors are present;
- b. more than two (2) Directors are competent to vote on the question

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- being considered; and
  - c. the decision is not in relation to the re-appointment of the Chair.
9. The Board may set the form of reports to be received (and the timeframe for delivery) from the Investment Manager and the Administrator to enable the Board to effectively discharge its duties.
10. A Director may request additional information where he/she considers it necessary to make informed decisions.

### I. DIRECTOR INDEPENDENCE

1. In determining the 'independence' of a Director, the Board will consider all the circumstances relevant to the Director, bearing in mind that an independent director should be able to exercise unfettered judgement in the best interests of the Company's shareholders generally. Factors that the Board will consider in assessing independence are outlined in I.3.
2. An "independent director" is a non-executive director who is free of any interest, position, association or relationship that could influence (or could reasonably be perceived to influence), in a material respect, the independent exercise of his/her judgement and the ability to act in the best interests of shareholders generally.
3. The ASX Recommendations establish a number of factors that may be considered when assessing the independence of Directors. The factors include whether a Director:
  - a. is a substantial shareholder of the Company or an officer of, or otherwise associated with, a substantial shareholder of the Company;
  - b. (within the last three years) has been employed in an executive capacity by the Company;
  - c. (within the last three years) has been a partner, director or senior employee of a provider of material professional services to the Company;
  - d. (within the last three years) has been in a material business relationship (as a supplier or customer) with the Company, or an

- e. officer of, or otherwise associated with, a material supplier to or customer of the Company; or
- e. has a material contractual relationship with the Company other than as a director of the Company.

These factors are only indicators of matters in which to assess the independence of a Director. Family ties and cross-directorships may be relevant in considering interests and relationships which may affect independence, and Directors must disclose these to the Board.

4. Materiality is to be judged by the Board on both a quantitative and qualitative basis. An item that affects the Company's net assets by approximately 0.5% is likely to be material.
5. All Directors are to disclose to the Company, as soon as possible, any information that may affect their independence. A review of Directors' independence is undertaken by the tabling of individual Director's interests at each Board meeting. The Board will also review the 'independence' of each Director annually.

### J. INDEPENDENT PROFESSIONAL ADVICE

1. The Directors may (in connection with their duties and responsibilities) seek independent professional advice at the Company's expense, after first notifying the Chair.
2. The Chair will review the estimated costs for reasonableness, but will not impede the seeking of advice.

### K. BOARD COMMITTEES

1. The Board may establish committees to assist it in carrying out its responsibilities, and shall adopt charters setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the Board may consider appropriate.
2. The Board recognises the importance of establishing a remuneration and nomination committee as good corporate governance in circumstances where appropriate for the size, nature and complexity of the Company. However,

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considering the size of the Company, the Board considers that the functions that would be performed by a remuneration and nomination committee are best undertaken by the Board.

3. The Board has established an Audit, Risk & Compliance Committee, and has adopted a charter setting out matters relevant to the composition, responsibilities and administration of that committee.

### L. BOARD PERFORMANCE

1. The Board will undertake a formal annual review of its overall effectiveness against previously agreed quantitative and qualitative indicators, including that of its delegated committees. The performance review shall be conducted in such manner, as the Board deems appropriate. If necessary, the Board will implement changes to improve the effectiveness of the Board and any delegated committee.
2. The Board will seek to ensure that:
  - a. its Directors have an appropriate balance between those with investment management experience and those with an alternative perspective;
  - b. the skills represented by Directors and the composition and mix of those skills remains appropriate for the Company;
  - c. the size of the Board is conducive to effective discussion and efficient decision making.
3. The Board will establish induction procedures so that new Board appointees can participate fully and actively in Board decision making at the earliest opportunity. The Company Secretary is responsible for arranging for a new Director to undertake the induction programme.

### M. CONSTITUTION

The Constitution is a key governance document. The Board must ensure that it complies at all times with the provisions of the Constitution. The Company's Constitution prevails over this Charter to the extent of any inconsistency.

### N. REVIEW

The Board may amend and review this Charter from time to time.

### O. GLOSSARY

<b>Administrator</b>	Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935, in its capacity as investment manager of the Company
<b>Administration Agreement</b>	administration agreement between the Company and the Administrator, as amended from time to time
<b>AGM</b>	annual general meeting of Shareholders of the Company
<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>Board</b>	board of Directors of the Company
<b>Chair</b>	chairperson of the Board
<b>Charter</b>	this Board charter
<b>Company</b>	Platinum Capital Limited (ABN 51 063 975 431)
<b>Company Secretary</b>	secretary of the Company
<b>Constitution</b>	constitution of the Company
<b>Corporations Act</b>	Corporations Act 2001 (Cth), as amended from time to time
<b>Director</b>	director of the Company
<b>Director's Code of Conduct</b>	Company's Directors' code of conduct, as amended by the Board from time to time
<b>Investment</b>	investment management agreement between the Company

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<b>Management Agreement</b>	and the Investment Manager, as amended from time to time
<b>Investment Manager</b>	Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935, in its capacity as investment manager of the Company
<b>Listing Rules</b>	ASX listing rules, as amended from time to time
<b>Managing Director</b>	managing director of the Company (if appointed)
<b>Shareholder</b>	holder of shares in the Company
<b>Securities Trading Policy</b>	Company's security trading policy, as amended by the Board from time to time