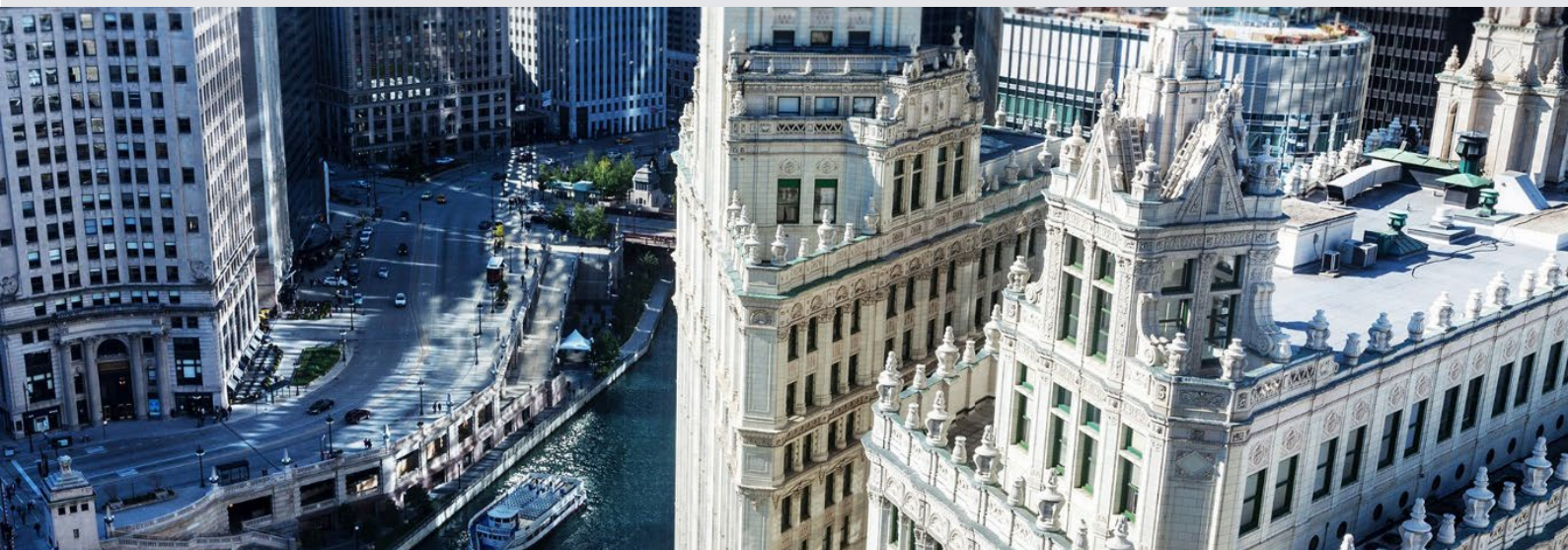


# AUDIT AND RISK CHARTER

APPROVED: 24 MAY 2022



**PENGANA PRIVATE EQUITY TRUST (ASX: PE1)**

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# AUDIT AND RISK CHARTER

## 1 PURPOSE

Pengana Investment Management Limited ('PIML' or 'Responsible Entity') is the Responsible Entity for the Pengana Private Equity Trust (ASX: PE1) ('Trust' or 'PE1'), a registered managed investment scheme, and is the investment manager for Pengana International Equities Limited (ASX: PIA) ('PIA'), a listed investment company. Both PE1 and PIA are listed on the Australian Securities Exchange ('ASX').

PIML is a wholly owned subsidiary of Pengana Capital Group Limited (ASX: PCG) ('Pengana' or 'PCG'). PIML is the holder of an Australian Financial Securities Licence (AFSL Licence: 219 462) ('AFSL').

The purpose of the Audit and Risk Charter is to assist and advise the Responsible Entity's Board in fulfilling its corporate governance and oversight responsibility in relation to the integrity of financial reporting and internal control structure and reviewing the compliance, risk management systems and external audit functions of the Trust and of the Responsible Entity.

## 2 ROLE OF THE BOARD

The responsibilities and duties of the Responsible Entity's Board in meeting its purpose as set out in section 1 are as follows:

### 2.1 Financial reporting

For the Trust and Responsible Entity:

- Review financial reports and financial information prepared by management and understanding the impact of significant accounting and reporting issues, including recent pronouncements, on the financial reports.
- Assess the appropriateness of accounting policies and principles and any changes to them, in order to maintain the compliance of the financial reporting framework.
- Obtain an independent opinion from the external auditor (as required) about the appropriateness of accounting policies and principles and the clarity of current or proposed financial disclosures put forward by management.
- Review and discuss with management and the external auditor (as required) the areas of significant estimates or judgments, non-compliance with laws and regulations, accounting and tax matters and risks, and the management of those risks.
- Receive from management confirmation that the integrity of financial reports is founded on a sound system of risk management and internal control which is operating effectively.
- Report to the Pengana Board matters which may significantly impact the financial condition of the Responsible Entity and/or the Trust.

### 2.2 External audit

- Review the annual audit plan including the scope of the external audit and identified risk areas.
- Review the reports of the external auditor so that significant findings and recommendations made, along with the responses of management, are appropriately acted on.
- Report to the Pengana Board any significant findings arising out of the reports of the external auditor.

- Assess the performance and independence of external auditor.
- Report to the Pengana Board any audit quality concerns that are not satisfactorily resolved with the external auditor

### 2.3 Risk management

- Assess the effectiveness of the Responsible Entity's risk management framework, including compliance and internal controls practices and policies.
- Review the Responsible Entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the Responsible Entity's is operating with due regard to the risk appetite set by the PCG Board.
- Oversee and monitor the Responsible Entity's effectiveness in managing its key risks, governance and internal control processes.
- Monitoring management's performance against risk management framework, including whether it is operating within the risk appetite set by the PCG Board.
- Receive reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks.
- Receive reports from management on material breaches of PCG's code of conduct, material incidents under PCG's whistleblower policy and material breaches of PCG's anti-bribery and corruption policy.
- Make recommendations to the PCG Board in relation to changes that should be made to the Company's risk management framework and/or to the risk appetite set by the PCG board.
- Reviewing any material incident involving fraud or a break-down of risk controls and the "lessons learned".
- Periodically assess the need for an internal control function.

### 2.4 General

- Report to the Pengana Board any updates regarding the operations of the Responsible Entity's Audit and Risk framework
- Report to the Pengana Board minutes and matters arising from each meeting of the Board of the Responsible Entity

## 3 REVIEW AND ASSESSMENT

The Charter will be reviewed and updated from time to time to ensure that it remains relevant, current and compliant with all applicable laws, and guidance notes.

## 4 DEFINITIONS

### 4.1 Definitions

The Charter will be reviewed and updated from time to time to ensure that it remains relevant, current and compliant with all applicable laws, and guidance notes.

TERM	DEFINITION
<b>ASX</b>	means ASX Limited ABN 98 008 624 691 or, as the context requires, the securities market conducted by ASX.
<b>ASX Listing Rules</b>	means the listing rules of the ASX Limited.
<b>Board</b>	means the full board of directors of Pengana Investment Management Limited.
<b>Chairman</b>	means the chair of the Board, as appointed by the Board.
<b>Company Secretary</b>	means the company secretary of Pengana Investment Management Limited from time to time
<b>Constitution</b>	means the constitution of Pengana Private Equity Trust, as amended from time to time.
<b>Designated Officer</b>	means each Director, Officer, employee and contractor of Pengana Capital Group Limited, of Pengana Investment Management Limited, of Pengana Capital Limited, and their associates.
<b>Director</b>	means a member of the Board of Pengana Capital Group Limited, of Pengana Investment Management Limited or of Pengana Capital Limited.
<b>Independent Director</b>	means a Director who has been determined by the Board to be independent in accordance with the requirements and recommendations of the ASX Listing Rules.
<b>Investment Manager</b>	means Grosvenor Capital Management, L.P.
<b>Laws</b>	means all applicable laws in place in the relevant jurisdiction including but not limited to regulatory guides and the ASX Listing Rules.
<b>Officer</b>	has the meaning set out in the Corporations Act.
<b>Pengana Board</b>	means the full board of directors of Pengana Capital Group Limited.
<b>Pengana Group</b>	means Pengana Capital Group Limited ABN 43 059 300 426 and each of its related bodies corporate.
<b>Responsible Entity</b>	means Pengana Investment Management Limited ABN 69 063 081 612.

### 4.2 Interpretations

- Words importing gender include the masculine, feminine and neuter genders and the singular includes the plural and vice versa.
- Headings are included for convenience only and will not affect the construction or interpretation of the Charter.