

# Audit, Risk and Compliance Committee Charter

Approved by the Board: 22 April 2021



PENGANA INTERNATIONAL EQUITIES LIMITED (ASX: PIA)

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[PENGANA.COM/PIA](https://www.pengana.com/pia)

# AUDIT, RISK AND COMPLIANCE COMMITTEE CHARTER

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## 1.1 PURPOSE

Pengana International Equities Limited (ASX: **PIA**) is an ASX listed investment company. The Audit, Risk and Compliance Committee (the **Committee**) is a committee of the board of directors (**Board**) of Pengana International Equities Limited (the **Company or PIA**).

The purpose of the Audit, Risk and Compliance Committee is to assist and advise the Board in fulfilling its corporate governance and oversight responsibility in relation to the integrity of the Company's financial reporting and internal control structure and reviewing the Company's risk management systems, insurance arrangements and external audit functions.

The purpose of this Charter is to:

- clarify the roles and responsibilities of the Committee; and
- provide an overview of the structures and processes supporting the Committee.

## 1.2 COMPOSITION AND MEETINGS

The Committee is a committee of the Board of PIA and is structured so that it:

- consists of at least three Directors, the majority being independent Directors, and
- is chaired by an independent Director who is not the Chair of the Board.

Appointments and revocations of appointments to the Committee will be determined by the Board.

The Committee will report to the Board through its Chair.

In the absence of the Committee Chair, Committee members will elect an independent Director to act as Chair for that meeting.

Each member of the Committee will have one vote and questions will be decided by a majority of votes. In the case of an equality of votes, the Chair of the Committee will have a second or casting vote, provided more than two of the members present are entitled to vote.

Members of the Committee should be suitably qualified. At least one member of the Committee should have relevant accounting or financial experience.

Subject to the following paragraph below, unless otherwise determined by the Board of PIA, a quorum for a Committee meeting will be a majority of Committee members.

To the extent not inconsistent with this Charter, meetings of the Committee will be conducted in accordance with those provisions of the Constitution of PIA which relate to the proceedings of meetings of directors.

## **1.3 RESPONSIBILITIES AND DUTIES**

The responsibilities and duties of the Committee in meeting its purpose as set out in section 1.1 are as follows:

### **1.3.1 Financial reporting**

- Review the financial reporting, accounting and tax practices and policies of the Company and assess their appropriateness.
- Review the integrity of the Company's financial reports, statements and disclosures for recommendation to the Board for approval.
- Assess the effectiveness of the Company's financial reporting systems and processes.
- Receive and review reports from management in relation to the Company's compliance with taxation obligations, dealings with the ATO, and other matters as requested by the Committee or considered appropriate by management.

### **1.3.2 External audit**

- Review the procedures for the selection and appointment of the external auditor.
- Review and recommend to the Board the terms of engagement and fees of the external auditors.
- Review the results of the audit plan and report to the Board as appropriate.
- Assess the performance and independence of audit.

### **1.3.3 Risk management and insurance**

- Assess the effectiveness of the risk management framework, including compliance and internal controls practices and policies.
- Review the Company's risk management framework at least annually to satisfy itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the board
- Oversee and monitor the Company's effectiveness in managing its key risks, governance and internal control processes.
- Monitoring the Investment Manager's performance against risk management framework, including whether it is operating within the risk appetite set by the Board.
- Oversee and monitor the Company's effectiveness in managing cybersecurity risks.
- Receive reports from the Investment Manager on new and emerging sources of risk and the risk controls and mitigation measures that the Investment Manager has put in place to deal with those risks.
- Receive reports from the Investment Manager on material breaches of PIA's code of conduct, material incidents under PIA's whistleblower policy, material breaches of PIA's anti-bribery and corruption policy and cybersecurity breaches.

- Make recommendations to the 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 board.
- Reviewing any material incident involving fraud or a break-down of your risk controls and the "lessons learned".
- Periodically assess the need for an internal control function.
- Review the selection and appointment of the Company's insurance broker.
- Ensure that the Company's insurance arrangements are adequate.

#### **1.3.4 Governance and compliance**

- Annually, review the corporate governance section of the Annual Report relating to the Committee and its responsibilities.
- Receive and review compliance reports prepared by the Investment Manager in relation to the Company's compliance with applicable laws and regulations.
- Receive and review reports on any breaches or suspicious matters identified or reported and consider, with the assistance of external advice if considered necessary by the Committee, whether they should be reported to the relevant authority (ASIC, AUSTRAC, etc.).

#### **1.3.5 General**

- Review and monitor the Company's corporate standards of behaviour generally.
- Meet as frequently as required but at least once each financial year.
- Minute the decisions of such meetings of the Committee and make such minute available to directors of the Company on request.

### **1.4 SECRETARY AND AGENDA**

The Secretary of the Committee will be the Company Secretary or his/her designated representative.

The agenda of the Committee will be prepared by the Secretary in consultation with the Chair of the Committee.

### **1.5 POWERS AND ACCESS TO INFORMATION**

The Committee is authorised to perform activities within the scope of its responsibilities and duties set out in this Charter and make appropriate recommendations to the Board.

Directors which are not members of the Committee may attend any Committee meeting. Other non-committee members may attend meetings of the Committee with the unanimous consent of the Committee.

The Committee is authorised to engage external resources including consultants and specialists that it considers necessary to execute its functions.

Committee members are able to access any information they consider necessary to fulfil their responsibilities and to exercise independent judgement when making decisions. Members also have access to representatives of the Investment Manager and the Company's auditors in order to seek explanations and information.



## 1.6 REVIEW

The Committee and the Board will review the performance of the Committee on a regular basis, including the performance of individual Committee members.

The Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.

The Committee will review this Charter every two years or as required, and make recommendations to the Board in relation to any proposed change to this Charter.

## 1.7 DEFINITIONS

In this Charter, unless the context otherwise indicates:

TERM	DEFINITION
<b>Board</b>	means the full board of directors of the Company.
<b>Committee</b>	means the Audit, Risk and Compliance Committee.
<b>Company</b>	means Pengana International Equities Limited.
<b>Constitution</b>	means the constitution of the Company, as amended from time to time.
<b>Director</b>	means a member of the Board.
<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 Pengana Investment Management Pty Ltd ACN 063 081 612.