

Audit & Risk Committee Charter

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Pendal Group Limited
ABN 28 126 385 822

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Audit & Risk Committee Charter

1. Purpose

- 1.1. The Pental Group Limited (**Company**) Audit & Risk Committee (**Committee**) is a committee of the Board.
- 1.2. The primary function of the Committee is to assist the Board and where relevant the Group Boards in providing oversight of the:
 - (a) integrity of the financial statements and financial reporting systems of the Company and its direct and indirect subsidiaries (**Pental Group**);
 - (b) adequacy and effectiveness of Pental Group's internal control systems including internal audit and risk management framework;
 - (c) appointment, remuneration, qualifications, independence and performance of the auditor of the Company's and where relevant Pental Group member's half-yearly and annual financial statements (**External Auditor**);
 - (d) appointment, remuneration, qualifications, independence and performance of the **Internal Auditor**;
 - (e) Pental Group's compliance with applicable legal and regulatory requirements;
 - (f) material Pental Group risk and compliance policies.
- 1.3. This Charter sets out the functions and responsibilities of the Committee.

2. Membership and Composition

- 2.1. Members of the Committee shall be appointed by the Board.
- 2.2. The Committee shall be comprised of at least three members, all of whom shall be non-executive Directors.
- 2.3. A majority of the Committee shall be independent Directors.
- 2.4. Each of the Group Chief Executive Officer & Managing Director (**Group CEO**), Chief Executive Officer, Pental Australia, Chief Executive Officer JOHCM UK, Europe & Asia, Chief Executive Officer JOHCM US, Group Chief Financial Officer (**Group CFO**), and Group Chief Risk Officer (**Group CRO**) shall not be a member of the Committee but may be invited to attend meetings of the Committee.
- 2.5. The Committee will periodically meet with the Group CRO without management present and the Group CRO and Group CFO have unfettered access to the Committee.
- 2.6. The Committee may periodically consult with the Chairman and independent directors of the material members of the Pental Group without management present.
- 2.7. Each member of the Committee shall have a good working knowledge of general finance, accounting and risk management practices. At least one member of the Committee shall have recent and relevant accounting or related financial management expertise.

3. Chairman

- 3.1. The Chairman of the Committee (**Chairman**) shall be appointed by the Board.
- 3.2. The Chairman shall be an independent non-executive director of the Company who is not the Chairman of the Board.

4. Meetings

- 4.1. The Committee shall meet at least four times a year and shall determine the duration and agendas of its meetings.
- 4.2. The Group Company Secretary or his or her delegate shall be the Secretary of the Committee.
- 4.3. The Chairman or the Group Company Secretary may convene a meeting of the Committee at any time, provided that reasonable notice is given to all members of the Committee. The Chairman must convene a meeting of the Committee upon receiving a request from the External Auditor, Internal Auditor or any of the Committee members.
- 4.4. A quorum shall be two members of the Committee.
- 4.5. A meeting of the Committee may be held using any technology agreed to by all Directors present.
- 4.6. Decisions of the Committee will be made by majority vote but the Chairman shall not have a casting vote. The Chairman will report the fact of a dissenting vote to the Board when reporting the decision to the Board.
- 4.7. Directors who are not members of the Committee are eligible to attend meetings of the Committee and will receive a copy of the papers for each meeting of the Committee.
- 4.8. The Committee may request any director, officer or employee of Pental Group, external legal counsel, the External Auditor, the Internal Auditor or any person or group with relevant experience or expertise to attend meetings of the Committee.
- 4.9. The External Auditor will be invited to attend meetings as determined by the Committee and will meet with the Committee in the absence of management.
- 4.10. The Internal Auditor will be invited to attend meetings as determined by the Committee and will meet with the Committee in the absence of management.
- 4.11. The Committee shall have free and unfettered access to senior management, the External Auditor, the Internal Auditor and the risk management function.
- 4.12. A resolution in writing signed or agreed to by a majority of members of the Committee is a valid resolution of the Committee and is effective when signed or agreed to by the last member of the Committee to form a majority. A resolution may be signed in multiple counterparts and may be signed or agreed to in any manner approved by a majority of members of the Committee. A copy of any written resolution or agreed resolution passed by the Committee shall be provided to the Committee's next meeting.

5. Conflicts of Interest

- 5.1. Members of the Committee must comply with their legal, statutory and equitable duties and obligations as Directors, when discharging their responsibilities as members of the Committee.
- 5.2. Members of the Committee must disclose to the Committee (through the Group Company Secretary or the Chairman) any actual or potential conflicts of interest which may exist or be thought to exist as soon as the Committee Member becomes aware of the issue and shall take any necessary and reasonable measures to resolve or manage the conflict.
- 5.3. A standing agenda item at each meeting of the Committee will be the disclosure, recording, and resolution or management of conflicts of interest, or potential conflicts of interest, by members of the Committee.

6. Independent Advice

- 6.1. The Committee may, subject to the requirements referred to in this clause 6, obtain independent legal, accounting or other professional advice at the Company's expense.
- 6.2. Prior to obtaining independent professional advice in accordance with this clause, the Committee shall obtain the prior approval of the Chairman of the Board, which shall not be unreasonably withheld.
- 6.3. Prior to seeking the approval of the Chairman of the Board to obtain independent professional advice, the Committee shall provide the Chairman of the Board with an estimate of the cost of obtaining the advice.
- 6.4. Any independent professional advice obtained by the Committee at the Company's expense must be made available to all Directors of the Company, including the Group CEO.

7. Responsibilities

The Committee has the following functions and responsibilities:

- 7.1. Integrity of Financial Reporting
 - (a) Review, monitor the integrity of and recommend to the Board for approval, the half-year and annual financial statements and related information for the Company's annual and half-yearly financial reporting.
 - (b) Make recommendations to the Board on significant accounting and financial policy issues including significant changes in the selection or application of accounting and financial reporting policies and whether the Pandal Group has followed appropriate accounting standards taking into account the views of the External Auditor.
 - (c) Review and monitor the appropriateness of the accounting judgments or choices exercised by management in preparing the Company's annual and half year financial statements.

- (d) Review the declarations made by the Group CEO and Group CFO in relation to the Company's financial statements, financial records and systems and the processes supporting those declarations.
- (e) Review and monitor processes for financial reporting to the Board and external reporting for completeness, clarity and accuracy of information and that the Company receives complete and timely financial information required for consolidated reporting from the Pental Group.
- (f) Monitor the adequacy of the resources dedicated to the Finance function across the Pental Group.

7.2. Risk Management

- (a) Review the adequacy and effectiveness of the Pental Group's internal controls and risk management framework to identify, monitor, evaluate, report and manage significant risks to the Pental Group.
- (b) Review the adequacy and effectiveness of and recommend updates to the Board of the Company's risk appetite statement and the Pental Group's risk management framework.
- (c) Regularly monitor key risks and movements in the Pental Group's risk profile, ensuring adequate action is taken to address adverse findings and monitor the Pental Group's risk culture.
- (d) Approve any acceptance of a material risk and monitor ongoing material risk acceptance.
- (e) Review the effectiveness of the Pental Group's internal control systems.
- (f) Monitor the adequacy of management's responses to recommendations of the Internal and External Auditors regarding the Pental Group's internal control systems and procedures.
- (g) Review and approve any risk disclosures required under the Pental Group's annual reporting obligations.
- (h) Monitor the adequacy of resources dedicated to the management of risk and compliance across the Pental Group.

7.3. Compliance & Whistleblowing

- (a) Review the effectiveness of Pental Group's compliance framework to identify, monitor, evaluate, report and manage compliance with legal, regulatory and policy requirements.
- (b) Review regular reports from management in relation to Pental Group's compliance with significant global regulatory requirements and monitor the effectiveness of the Pental Group's compliance function.
- (c) Review the adequacy of Pental Group's arrangements for its employees and contractors to raise concerns, in confidence, about suspected wrongdoing.

7.4. External Auditors

- (a) Recommend the appointment, re-appointment or removal of the External Auditor to the Board including the rotation of the lead audit engagement partner and oversee the selection process for an External Auditor.

- (b) Recommend the appointment, re-appointment or removal of the Service Auditor responsible for providing assurance reporting in relation to controls to the relevant Group Board and oversee the selection process for a Service Auditor.
- (c) Recommend the appointment, re-appointment or removal of the Fund Auditor responsible for auditing funds managed by members of the Pandal Group to the relevant Group Board and oversee the selection process of the Fund Auditor.
- (d) Review the scope of work, reports and activities of the External Auditor.
- (e) Review the External Auditor's audit plans, audit fees, terms of engagement and any representation letters requested by the External Auditor before being signed by the Board or management.
- (f) Evaluate the independence of the External Auditor on an annual basis. In assessing the External Auditor's independence, the Committee should consider:
 - (i) the provision of any non-audit services provided by the External Auditor;
 - (ii) the rotation of audit partners;
 - (iii) the External Auditor's own statements on independence;
 - (iv) relevant ethical, professional and regulatory requirements;
 - (v) any other relationships between the External Auditor and the Pandal Group (other than in the ordinary course of business).
- (g) Receive the report from the External Auditor and review the findings of the audit, any accounting and audit adjustments (either made or recommended to be made), levels of errors identified during the audit and the effectiveness of the audit process.
- (h) Discuss with the External Auditor matters relating to the conduct of the audits including any difficulties encountered in the course of the audit work, any restrictions on scope of activities or access to requested information, significant disagreements with management (if any) and adequacy of management's response to audit findings.
- (i) Review annually the qualifications, expertise, resources and performance of the External Auditor, taking into account the opinions of management and Internal Auditor.

7.5. Internal audit

- (a) Review the Internal Auditor's annual audit plan and the adequacy and effectiveness of Pandal Group's internal audit arrangements as they relate to the activities of the Pandal Group.
- (b) Review and approve the Internal Audit Charter.
- (c) Review the Internal Auditor's reports on significant findings, recommendations and reports relating to the Pandal Group's internal controls.
- (d) Recommend the appointment, re-appointment or removal of the Internal Auditor to the Board and oversee the selection process for an internal auditor.
- (e) Review and evaluate the independence and performance of the Internal Auditor, taking into account the opinions of management and the External Auditor.

7.6. Insurance

- (a) Review, monitor and make recommendations to the Board on the Pental Group's insurance arrangements at least annually, having regard to the insurable risks associated with the Pental Group's business.

7.7. Taxation

- (a) Review, monitor and make recommendations to the Board on, the Pental Group's tax policies and practices including any material decisions relating to tax including group wide transfer pricing.

7.8. Related party transactions

- (a) Review, monitor and make recommendations to the Board on the Pental Group's policies and practices relating to related party transactions and the disclosure of such transactions.

7.9. Policies

- (a) Review material Pental Group risk and compliance policies and recommend the policies to the Board for approval.

8. Authority and Reporting

8.1. The Committee reports to the Board.

8.2. At the Board meeting next following a meeting of the Committee, the Chairman will report to the Board about the Committee's activities and any recommendations that have been made by the Committee to the Board (and advise the relevant Group Board where applicable).

8.3. The Group Company Secretary shall circulate copies of the minutes of the Committee's meetings to the Board.

8.4. The Committee is authorised to seek any information it requires from an employee of the Pental Group and to question an employee at a meeting of the Committee as and when required.

9. Non-audit Services

9.1. All non-audit services to be performed for the Company or any of its subsidiaries by Pental Group's External Auditor, must be approved by the Chairman of the Committee.

10. Other Responsibilities

10.1. The Committee will review its own performance as part of the Board evaluation process and report findings to the Board.

10.2. This Charter shall be reviewed every two years by the Committee or as required to ensure that it is kept up to date and is consistent with the Committee's authority, objectives and responsibilities.

10.3. Any amendments to this Charter shall be approved by the Board.

10.4. The Committee shall have access to sufficient resources and professional development which is relevant to the functions of the Committee.

11. Interpretation

11.1. In this Charter, unless the context requires otherwise:

Board means the Board of Directors of Pental Group Limited;

Company means Pental Group Limited;

Corporations Act means the *Corporations Act 2001* (Cth), as amended from time to time;

Director means a director of the Company;

Fund Auditor means the auditor responsible for auditing funds managed by a member of the Pental Group;

Group Board means any of the boards of the direct and indirect subsidiaries of the Company;

Pental Group means Pental Group Limited and each of its direct and indirect subsidiaries; and

Service Auditor means the auditor responsible for providing independent assurance reporting in **relation** to a control environment such as GS007 or SOC-1 reports.

Approved by the Board on 18 February 2021 to take effect from 1 April 2021.

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