

***Written terms of reference have been constituted for the Audit Committee, these are as follows***

### **1. Membership**

- 1.1 Membership of the Audit Committee will be as determined by the Board from time to time. The minimum number of members will be two independent directors. At least one member of the Audit Committee should have recent and relevant financial experience. There is no defined tenure for membership of the Audit Committee. The quorum for the Audit Committee will be two members.

### **2. Meetings**

- 2.1 The Audit Committee Chairman will decide on the frequency and timing of meetings. There will be a minimum of two meetings per year to coincide with the key dates in the Annual and Half-yearly reporting cycles.
- 2.2 No one other than members of the Audit Committee are entitled to be present at meetings. The Audit Committee Chairman can decide if non-members can attend for specific meetings. The Company secretary shall act as the secretary of the Audit Committee.

### **3. Authority**

- 3.1 The Audit Committee shall have access to sufficient resources in order to carry out its duties, and members of the Audit Committee will be provided with training and external advice where appropriate.

### **4. The work of the Audit Committee will include**

- 4.1 providing an overview of the Company's accounting policies and financial reporting;
- 4.2 reviewing the Company's financial controls;
- 4.3 considering and reviewing the effectiveness of the Company's internal controls and risk management systems;
- 4.4 monitoring the integrity of the Annual Report and Financial Statements of the Company and any formal announcements relating to the Company's financial performance and reviewing significant financial reporting judgments contained in them;
- 4.5 meeting the Company's external Auditor annually, evaluating the performance of the external Auditor and making recommendations to the Board in relation to the appointment, re-appointment and removal of the external Auditor and approving their remuneration and terms of engagement;
- 4.6 monitoring and reviewing the external Auditor's independence and objectivity and the effectiveness of the audit process;
- 4.7 developing and implementing a policy for the supply of non-audit services by the external Auditor;

- 4.8 meeting the external Auditor at least once a year without the presence of the Manager;
- 4.9 monitoring and reviewing the effectiveness of the Manager's internal audit function;
- 4.10 ensuring that all Directors of the Company and staff of companies which provide services to the Company feel able to raise matters of serious concern with the Chairman of the Audit Committee, and that these issues, when raised, are subject to proportionate and independent investigation, and appropriate action;
- 4.11 reporting to the Board, identifying any matters in respect of which action or improvement is needed and recommending appropriate steps to be taken;
- 4.12 undertaking the duties of the Engagement Committee, and reviewing the performance of the Manager and all matters arising under the management agreement;
- 4.13 advising the Board on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; and
- 4.14 to report to the Board on how it has discharged its responsibilities.