

TR EUROPEAN GROWTH TRUST PLC

Terms of Reference of the Audit Committee

Constitution

The Committee is constituted by the Board of Directors with the purpose of assisting the Board in meeting its responsibilities for the integrity of the Group's financial reporting including the effectiveness of the internal control and risk management systems and for monitoring the effectiveness and objectivity of the external auditors.

Membership and meetings

1. The Committee shall comprise all directors who are independent of the Manager. At least one member should have recent and relevant financial experience, and the Committee as a whole should have competence relevant to the sector in which the Company operates.
2. A quorum is any two independent directors. Meetings shall be held at least twice a year, normally preceding the Board meetings at which the financial statements for the year end and half year are reviewed.
3. The Board shall appoint a Chairman for the Committee. The Chairman of Board may not be a member of the Committee.
4. Only members of the Committee have the right to attend meetings, but the Committee may invite others, including but not limited to any director, officer or employee of the Manager or any person whose advice is sought, to attend all or part of any meeting if it thinks it is appropriate or necessary.
5. The Company Secretary or their nominee shall act as Secretary to the Committee.

Duties

The Committee is responsible for:

1. Financial reporting
 - a) monitoring the integrity of the Annual Report and financial statements, half-yearly reports and associated results announcements;
 - b) reviewing the appropriateness of the current accounting policies, decisions taken regarding areas of judgement, the long term viability and going concern statements and compliance with the relevant accounting standards and any proposed changes;
 - c) reviewing and providing advice to the Board as to whether, to the best of the Committee's belief, the Annual Report, taken as a whole is fair, balanced and understandable;
2. External audit
 - a) making recommendations to the Board as to the appointment, re-appointment or removal of the external auditor, investigating any matter leading to their resignation and overseeing the selection process for a new auditor where required;

- b) approving the terms of engagement in respect of the statutory audit, developing and implementing policy on engaging the external auditor for non-audit services and approving in advance the fees for both audit and non-audit services;
- c) approving the nature and scope of the audit with the external auditor before the audit commences and reviewing the findings of the audit, including the review of the performance calculation in accordance with the management agreement;
- d) reviewing and monitoring the external auditors' independence and objectivity, and the effectiveness of the Audit process;
- e) assessing the performance of the external auditor, monitoring the effectiveness of the audit process and reviewing their quality control procedures and steps taken to respond to regulatory, professional and other changes;
- f) reviewing the management representation letters requested by the external auditor;

3. Internal control and risk management

- a) keeping under review the framework and effectiveness of the system of internal control and risk management, including the Company's risk map, limits and restrictions and the control reporting for the Company's key third party contractors;
- b) reviewing and approving the statements to be included in any financial reporting concerning the effectiveness of internal controls and risk management;

4. Other matters

- a) reviewing the Company's anti-bribery policy and considering similar procedures in place with the Company's third party contractors;
- b) reviewing the Manager's arrangements for raising concerns in confidence about possible wrongdoing in financial reporting and other matters (whistleblowing) and
- c) reviewing the business continuity plans in place at the Manager.

Reporting responsibilities

1. The Committee Chairman shall report to the Board on its proceedings after each meeting and attend the annual general meeting to answer any shareholder questions on the Committee's activities;

The Committee shall:

2. make a statement in the Annual Report concerning its activities; and
3. keep these terms of reference under regular review, making them available to explain its role and the authority delegated to it by the Board.

Authority

The Committee is authorised to:

1. seek any information it requires from employees of Henderson, as appropriate, in order to perform its duties; and

2. obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

(Amended on 23 September 2015, 26 September 2016, 6 February 2017 and 25 February 2019)

Last reviewed: January 2019