

Audit and Risk Management Committee (the "Committee")
Terms of Reference

1. Establishment and Purpose

1.1 The principal function of the Committee is to assist the Board reviewing the effectiveness of the accounting and internal control systems of the Company, reviewing and approving the interim and annual Financial Statements of the Company and monitoring and reviewing the Company's risk management systems.

2. Membership and Quorum

2.1 The Committee shall be appointed by the Board from amongst the directors who are independent of the Investment Adviser and shall consist of not less than three members. A quorum shall be two members. Members may attend meetings of the Committee by telephone or video conference.

2.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as external advisers and external auditors may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

2.3 Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to three-years, provided the director still meets the criteria for membership of the Committee. This will be reviewed on an annual basis by the Board of the Company.

2.4 The members of the Committee for the time being shall be:

- Cindy Rampersaud (Chair)
- Simon Holden
- Francis Keeling
- Christopher Mills

2.5 In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting. The Chair of the Board shall not chair a Committee meeting concerning the appointment of their successor.

2.6 Any member who is determined by the Board to no longer be independent shall cease to be a member of the Committee, if this would result in a majority of the Committee not being independent.

2.7 The membership of the Committee may be amended from time to time by the Board.

3. Meetings

3.1 The Committee shall meet not less than twice each year and at such other times as required by the Board. Any Committee member or the secretary may call a meeting.

3.2 The Company Secretary shall be the secretary of the Committee (the "**Secretary**").

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3.3 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, at least five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

4. Minutes of Meetings

4.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

4.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so.

5. Authority

5.1 The Committee is authorised by the Board to investigate and review any matter within its terms of reference and to consider any matter the Committee deems relevant to the discharge of its duties.

5.2 The Committee may obtain, at the Company's expense, outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

5.3 To delegate any of its powers to one or more of its members or the Secretary.

6. Duties

6.1 The duties of the Committee shall be:

Internal Controls and Accounts

- (a) to review the effectiveness of the accounting and internal control systems of the Company;
- (b) to satisfy itself that such systems meet relevant legal and regulatory requirement and initiate further investigations as it sees fit as to the effectiveness of the systems of control;
- (c) to review and approve the statements to be included in the Annual Report concerning internal controls, risk management and viability;
- (d) to confirm that there are no material omissions in the internal controls, reports and accounts;
- (e) to review final drafts of the Company's half yearly and annual accounts and other financial statements to ensure that the Company's results and financial position are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's positions and performance, business model and strategy. The Committee shall receive such drafts with reasonable notice;

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- (f) to monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements contained in them;
- (g) to review the Company's interim management statements;
- (h) to review the Company's operational risks at least biannually;
- (i) to submit to the Board a regularly updated record of the operational risks, their potential causes and impacts;
- (j) to provide analysis of any mitigating steps or procedures adopted by the Company regarding risk;
- (k) to monitor the Administrator to ensure that it maintains appropriate internal controls and processes to ensure that its company secretarial, accounting and administration services, and its systems that are required to maintain and monitor those services, are accurate at all times;
- (l) to monitor and review the Company's internal control and risk management systems;
- (m) to review compliance reports from the Investment Adviser;
- (n) to receive and consider an annual report from the Administrator and the Investment Adviser confirming that the Company's affairs have been conducted in compliance with the regulations applying to it, and in adherence to the investment policy set out in the Prospectus or as extended and amended from time to time by the Board with the approval of shareholders; and
- (o) to review the possible effects of any proposed changes to applicable accounting standards, the tax status of the Company or legislation relating to the regulatory and accounting matters relevant to the Company.

The Committee shall review and challenge when necessary:

- (a) the consistency of, and any changes to, accounting policies both on a year on year basis and across the Company;
- (b) the methods used to account for significant or unusual transactions where different approaches are possible;
- (c) whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- (d) the Company's valuation policy and methodology;
- (e) the Company's viability statement;
- (f) the clarity of disclosure in the Company's financial reports and the context in which statements are made; and
- (g) all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it related to the Audit).

External Audit

The Committee shall:

- (a) consider and make recommendations to the Board, to be put to shareholders (where appropriate) for approval at the AGM, in relation to the appointment, re-appointment and removal of the Company's external Auditor. The Committee shall oversee the selection process for new auditors and if an auditor resigns, the Committee shall investigate the issues leading to such resignation and decide whether any action is required;
- (b) oversee the relationship with the external Auditor including (but not limited to);

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- i. consideration of their remuneration, whether fees for audit or non-audit services, and that the level of fees is appropriate to enable an adequate audit to be conducted;
 - ii. consideration of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - iii. assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditors as a whole, including the provision of any non-audit services;
 - iv. satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the company (other than in the ordinary course of business);
 - v. monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements; and
 - vi. assessing annually their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditors on their own internal quality procedures;
- (c) meet regularly with the external Auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external Auditor at least once a year, without the Investment Adviser or the Administrator being present, to discuss their remit and any issues arising from the audit;
- (d) review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement;
- (e) review the findings of the audit with the external Auditor. This shall include but not be limited to, the following:
- i. a discussion of any major issues which arose during the audit;
 - ii. any accounting and audit judgements; and
 - iii. levels of errors identified during the audit;
- (f) review the effectiveness of the audit;
- (g) review any representation letter(s) in connection with the audit report and the review of the half yearly reports requested by the external Auditor before they are signed by management;
- (h) review the investment Adviser's response to the Auditor's findings and recommendations;
- (i) develop and implement a policy on the supply of non-audit services by the external Auditor, taking into account any relevant guidance on the matter;
- (j) approval of non-audit service fees from the external auditor;
- (k) twice yearly meet with the Audit Partner to discuss any relevant matters concerning the general audit and operation of the Company; and
- (l) undertake a formal Audit tender process in respect of the external audit services at least every 10 years.

Risk Assessment

The Committee shall keep under review the effectiveness of the Company's policies and procedures for the identification, assessment and reporting of risks.

Risk Management

The Committee shall:

- (a) review the effectiveness of the Company's risk management framework, in relation to the investment policy of the Company;
- (b) review on a regular basis risk management reports from the Investment Adviser to consider the processes established by the Investment Adviser for risk identification and management, assess the risks involved in the Company's business and how they are controlled and monitored by the Investment Adviser;
- (c) monitor and review the effectiveness of the risk management function of the Company, but also the risk management function of the Investment Adviser, Administrator and other third party service providers as it deems fit and to seek such assurance that such functions are adequately resourced and have appropriate standing with the Company;
- (d) consider the risks associated with proposed acquisitions or disposals of Catalogues;
- (e) consider the risks associated with the valuation of Catalogues;
- (f) review the risks associated with revenue recognition and royalty collection;
- (g) review the Company's procedures concerning the prevention and detection of fraud and financial crime;
- (h) review the Company's principal risks in connection with viability reporting; and
- (i) review the Company's arrangements for regulatory compliance and consider any material findings from regulatory reviews.

6.2 Amendments may be made to the duties of the Committee by the Board from time to time.

7. Reporting Procedures

7.1 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

7.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

7.3 A report on the Committee's processes and activities shall be disclosed in the Annual Report. Such report to include:

- (a) the significant issues that the Committee considered in relation to the financial statements, and how these issues were addressed;
- (b) an explanation of how it assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, and information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans; and
- (c) if the external auditor provides non-audit services, an explanation of how auditor objectivity and independence are safeguarded.

7.4 The Committee Chair shall attend the Annual General Meeting of the Company prepared to respond to any shareholder questions on the Committee's activities.

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8. Other Matters

The Committee Shall:

- 8.1 have access to sufficient resources in order to carry out its duties, including access to the Secretary and Administrator for assistance as required;
- 8.2 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

15 December 2023