

MID WYND INTERNATIONAL INVESTMENT TRUST PLC

Audit Committee – Terms of Reference

Prime Responsibility

- To assist the Board in carrying out its responsibilities relating to the Company's accounting policies, internal controls, risk management and financial reporting functions.

Membership and Quorum

- The Committee shall comprise at least three members. The members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee, from amongst the independent non-executive directors of the Company. At least one member shall have recent and relevant financial experience and with competence in accounting and/or auditing. The Audit Committee as a whole shall have competence relevant to the sector. A quorum shall be two members.
- The Chairman of the Committee shall be appointed by the Board and will not be the Chairman of the Board.
- The Secretary of the Company or their nominee shall act as Secretary of the Committee.

Attendance at meetings

- Representatives of the Manager and Secretary, representatives of the Secretary's Compliance and Risk Departments and a representative of the external Auditor may be required to attend all or part of any meeting. At least once a year the Committee will meet the Company's Auditor without the presence of any employee of the Investment Manager.
- Notice of any meeting, together with an agenda and appropriate papers, will normally be circulated one week in advance of the meeting.

Frequency of meetings

- Meetings shall be held at least twice a year. Any member of the Committee or the external Auditor may request additional meetings if they consider it necessary.

Training

- An induction programme is provided for new Audit Committee members and ongoing training is available for existing members of the Committee.

Authority

- The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee of the Company's service providers in order to carry out its duties.
- The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise where necessary, at the Company's expense.

Duties

The duties of the Committee are:

Financial and Narrative Reporting

- To monitor the integrity of the financial statements of the Company, including its Annual and Half-Yearly Financial Reports and any other formal announcements relating to the Company's financial

performance, reviewing and reporting to the Board on significant financial reporting issues and judgements which they contain having regard to matters communicated to it by the Auditor.

In particular, the Committee shall review and challenge where necessary:

- i. the consistency of, and any changes to, accounting policies and practices;
 - ii. major judgmental areas including, but not limited to, the review of the basis of the valuation of any unquoted investments;
 - iii. significant adjustments resulting from the audit;
 - iv. the methods used to account for significant or unusual transactions where different approaches are possible;
 - v. compliance with applicable accounting standards and practices;
 - vi. the clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made;
 - vii. all material information presented with the financial statements, such as the strategic report and the corporate governance statement (insofar as it relates to the audit and risk management);
 - viii. the going concern assumption and the viability statement;
 - ix. the evaluation of any risks to the quality and effectiveness of the financial reporting process;
 - x. compliance with applicable UKLA, London Stock Exchange, legal and other regulatory requirements; and
 - xi. where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board.
- To provide advice to the Board on whether the Annual Financial Report, 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.
 - *Internal Controls and Risk Management Systems*
 - To keep under review the adequacy and effectiveness of internal control and risk management systems, including oversight of principal risks; and
 - To review and approve the statements to be included in the annual report concerning internal controls, risk management, including the assessment of principal risks and emerging risks and the viability statement.
 - *External Audit*
 - To consider the appointment, re-appointment and removal of the external Auditor and to make recommendations to the Board. The Committee shall oversee the selection process for a new auditor and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether action is required;
 - To make a recommendation to the Board on the remuneration of the external Auditor, whether for audit or non-audit services and on whether the level of fees is appropriate to enable an effective and high quality audit to be conducted;
 - Approval of the Auditor's terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - To review and monitor annually the Auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
 - Monitor the Auditor's compliance with relevant ethical and professional guidance on the rotation of the audit partner;
 - To assess annually the qualifications, expertise and resources of the Auditor and the effectiveness of the audit process;
 - Review and approve the annual audit plan and ensure that it is consistent with the scope of the

- audit engagement, having regard to the seniority, expertise and experience of the audit team;
 - To discuss problems and reservations arising from the annual audit, and any other matters the Auditor may wish to discuss (in the absence of management where necessary);
 - To review any representation letter(s) requested by the external Auditor;
 - To review the Auditor's management letter and management's response; and
 - To develop and implement policy on the engagement of the external Auditor to supply non-audit services if appropriate.
- *Internal Audit, Compliance and Whistleblowing*
 - To consider annually whether there is a need for an internal audit function and to explain the reasons for the absence of such a function in the Annual Financial Report;
 - To review regular reports from the Investment Manager's Compliance department;
 - To review regular reports from the Investment Manager's Business Risk department;
 - To review the arrangements in place at Artemis Fund Managers Limited whereby its staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters insofar as they may affect the Company and to establish that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action; and
 - To review the Company's procedures for detecting fraud.

Reporting procedures

The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

The Committee Chairman shall report to the Board after each meeting on all matters in respect of the Committee's duties and responsibilities and on how it has discharged its responsibilities. This report shall include:

- The significant issues that it considered in relation to the financial statements and how these were addressed;
- Its assessment of the effectiveness of the external audit process, the approach taken to the appointment or reappointment of the external auditor, length of tenure of the firm, when a tender was last conducted and advance notice of any retendering plans; and
- Any other issues on which the board has requested the committee's opinion.

A report on the Committee's activities shall be disclosed in the Annual Financial Report including an explanation of how the Committee has addressed the effectiveness of the external audit process and the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed.

Other matters

The Committee shall:

- Arrange for a periodic review of its own performance and, at least annually, these terms of reference and recommend any changes it considers necessary to the Board for approval.

Membership:

Diana Dyer Bartlett - Chairman
David Kidd
Alan Scott
Hamish Baillie