

RIT Capital Partners plc

Audit Committee terms of reference

Constitution:

1. The Audit Committee was constituted by resolution of the Board dated 3 October 1988.

Membership:

2. The Committee shall be appointed by the Board. All members of the Committee shall be independent non-executive directors of the Company. The Committee shall consist of not less than three members. A quorum shall be two members.
3. The Chairman of the Committee shall be appointed by the Board. In his absence, the remaining members present shall decide which of their number shall chair a committee meeting. The Chairman shall not be entitled to a casting vote.

Attendance at meetings:

4. The company secretary shall be Secretary of the Committee and shall attend unless requested otherwise by the Committee. The Secretary is responsible for maintaining records of its membership, business and advice received by the Committee.
5. A representative or representatives of the external auditors may attend meetings at the invitation of the Committee through the Secretary.
6. Other board members and employees may attend if invited by the Committee.
7. There should be the opportunity in at least one meeting a year where the external auditors may attend without executive directors, management or other members of staff present.

Frequency of meetings:

8. Meetings shall be held not less than twice a year, and where appropriate should coincide with key dates in the Company's financial reporting cycle.
9. Any member or the external auditors may request a meeting if they consider that one is necessary.

Authority:

10. The Committee is authorised by the Board to:
 - a. investigate any activity within its terms of reference;

- b. seek any information that it requires from any employee of the Company and all employees are directed to cooperate with any request made by the Committee; and
- c. obtain outside legal or independent professional advice and such advisors may attend meetings as necessary.

Responsibilities:

11. The responsibilities of the Committee shall be:

- a. to monitor the integrity of the financial statements and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements;
- b. to monitor the performance of the external auditor;
- c. to recommend the audit fee to the Board and review any fees in respect of non audit services provided by the external auditor and to ensure that the provision of non audit services does not impair the external auditors' independence or objectivity;
- d. to discuss with the external auditor, before the audit commences, the nature and scope of the audit;
- e. to oversee the process for selecting the external auditor and make appropriate recommendations through the board to the shareholders to consider at the AGM;
- f. to review the external auditor's management letter and management's response;
- g. to review management's reports on the effectiveness of systems for internal financial control, financial reporting and risk management;
- h. to review the actions and judgements of management, in relation to the interim and annual financial statements before submission to the Board.
- i. to monitor the level of non-audit services provided by the auditors to the Company.
- j. to review the Company's arrangements by which staff may, in confidence, raise concerns relating to possible improprieties in matters of financial reporting or other matters.
- k. to consider other topics, as defined by the Board.

Reporting procedures:

12. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Committee. Other members of the Board shall be entitled to minutes of the meetings of the Committee upon request.
13. The Committee's duties and activities during the year shall be disclosed in the annual financial statements.
14. The Chairman shall attend the AGM and shall answer questions, through the Chairman of the board, on the Audit Committee's activities and its responsibilities.

Adopted 11 May 2004