

CT Private Equity Trust plc

Audit Committee

Terms of Reference

Constitution

The Board has established a Committee of the Board to be known as the Audit Committee.

Membership

The Audit Committee shall be appointed by the Board from amongst the independent non-executive Directors of the Company. It shall consist of not less than three members. At least one member of the Audit Committee shall have recent and relevant financial experience. A quorum shall be two members.

The Chair of the Audit Committee shall be appointed by the Board and should be different from the Chair of the Company.

Meetings

The Audit Committee shall meet at least twice a year. The Audit Committee shall have the opportunity to meet the auditors, without management being present. Other Board members can attend as observers. The auditors may request a meeting if they consider that one is necessary.

The Company Secretary shall be appointed as Secretary of the Committee.

Unless otherwise agreed by the Committee, notice of each meeting confirming venue, time and location with supporting papers should be forwarded to members no later than five working days before the meeting.

Authority

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. The Audit Committee is authorised to obtain outside legal or other independent professional advice where necessary.

Duties

The duties of the Audit Committee are:

- a) To make recommendations to the Board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor.

To develop and oversee the selection procedure for the appointment of an audit firm. If the external auditor resigns to investigate the issues leading to this decision and decide whether action is required,

- b) To review annually and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements.
- c) To develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm.
- d) To monitor the integrity of the annual and interim financial statements before submission to the Board, and any formal announcements relating to the Company's financial performance, focusing particularly on:
 - i) any changes in accounting principles, policies and practices;
 - ii) major judgmental areas;
 - iii) significant adjustments resulting from audit;
 - iv) the going concern assumption;
 - v) compliance with accounting standards and all relevant statutory requirements;
 - vi) compliance with the UK Listing Authority requirements;
 - vii) methods used to account for significant or unusual transactions; and
 - viii) all material information presented with the financial statements.
- e) To discuss problems and reservations arising from the audit and any matters the auditors may wish to discuss (in the absence of management where necessary).
- f) To review reports from the auditors, including the auditors' report to the Board.
- g) Where requested by the Board, to provide advice 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.
- h) To review the Company's statement on internal control systems prior to endorsement by the Board; and in particular, to review:
 - i) the procedures for identifying business risks and controlling their impact on the Company.
 - ii) the Company's policies for preventing or detecting fraud, including money laundering.
 - iii) the Company's policies for ensuring that it complies with relevant regulatory and legal requirements.

- iv) the Manager's report on its internal control systems and other service providers on their internal control systems.
- i) To consider annually whether there is a need for an internal audit function specific to the Company.
- j) To consider other topics, as defined by the Board.

Reporting Procedures

The Committee Chair shall report formally to the Board on its proceedings after each meeting.

The Secretary shall circulate the minutes of meetings of the Audit Committee to all members of the Board at the next Board meeting following an Audit Committee meeting.

The work of the Audit Committee in discharging its responsibilities shall be disclosed in the Company's Annual Report.

The Chair of the Audit Committee shall attend the AGM and answer questions through the Chair of the Board, on the Audit Committee's activities and responsibilities.

Membership: C Armour (Chair)
A Baxter
T Burnet
S Conrad