

**CANDOVER INVESTMENTS PLC
(THE “COMPANY”)**

AUDIT, RISK & VALUATION COMMITTEE

1.	Name
1.1	The Committee shall be a standing committee of the Board known as the Audit, Risk and Valuation Committee (the “Committee”).
2.	Members and Chairman
2.1	Subject to 3.2, the Committee shall comprise any three or more non-executive directors of the Company appointed from time to time by resolution of the Board, all of whom must be independent non-executive directors.
2.2	The Board shall appoint one of the members of the Committee to act as chairman of the Committee.
2.3	The Board shall satisfy itself that at least one member of the Committee has recent and relevant financial experience.
2.4	The Secretary of the Company will act as secretary of the Committee.
2.5	The secretary of the Committee shall provide the Committee such support and advice as it may require and shall be entitled to independent access to the chairman of the Committee at all times.
3.	Quorum
3.1	Any two members of the Committee, including the chairman of the Committee.
3.2	Notwithstanding 2.1, where a quorum would not otherwise be available for a meeting of the Committee to take place, the chairman of the Committee and the Chairman of the Board shall each have the power, acting alone, to co-opt any appropriate independent non-executive director (including himself) as an additional member of the Committee for the purpose and duration of any such meeting of the Committee and any such non-executive director so co-opted shall be counted for the purpose of the determining whether a quorum is present at any such meeting of the Committee.
3.3	Members of the Committee cannot vote on matters in which they have an interest.
4.	Attendance at meetings
4.1	No one other than the chairman and members of the Committee is entitled to be present at a meeting of the Committee.
4.2	The chairman of the Committee may invite any other person who he deems appropriate to attend Committee meetings.
4.3	The Committee will meet regularly with external auditors, who have the right to discuss matters privately with the Committee without management being present.

4.4	Notwithstanding 4.1, the Chairman of the Company may attend meetings of the Committee.
4.5	Each member of the Committee shall have one vote. In the event of an equality of votes, the resolution put shall be lost.

5.	Frequency of Meetings
5.1	The Committee shall meet at least three times a year in order to: <ul style="list-style-type: none"> ▪ consider the interim and final results of the Company; ▪ approve the auditors' fees; ▪ review the auditors' independence; and ▪ consider the audit approach.
5.2	Ad hoc meetings may be called as and when required.

6.	Purpose
6.1	Audit
6.1.1	To monitor the quality and reliability of financial information used by the Board and reported to shareholders.
6.1.2	To monitor the Company's internal financial controls.
6.1.3	To recommend to the Board the appointment of the external auditor and to monitor the performance of such auditor.
6.2	Risk
6.2.1	To review the Company's operational risks at least biannually.
6.2.2	To submit to the Board a regularly updated record of the operations risks, their potential causes and impacts.
6.2.3	To provide analysis of any mitigating steps or procedures adopted by the Company.
6.3	Valuation
6.3.1	To consider and make recommendations to the Board on valuations of the Company's investments to be included in the interim and annual financial statements of the Company.
6.3.2	To review the Company's valuation policy and methodology.

7.	Status
7.1	The Committee has no executive powers but shall have the authority to seek any information it requires from any officer or employee of the Company or any of its subsidiary companies and such officers or employees shall be instructed by the Board of the Company employing them to respond to such enquiries.

7.2	The Committee is granted the authority of the Board of Directors to call for advice or reports from outside consultants, auditors or other appropriate bodies as and when deemed necessary.
8.	Schedule of matters that may be considered by the Committee
8.1	Financial statements
8.1.1	Monitor the integrity of the financial statements of the Company, (together with any formal announcements relating to the Company's financial performance) and reviewing significant financial reporting judgments contained in them.
8.2	Internal control
8.2.1	Review the Company's internal financial controls and, unless expressly addressed by a separate Board risk committee compose of independent Directors, or by the Board itself, review the Company's internal control and risk management systems.
8.3	External Auditors
8.3.1	Make recommendations to the Board of Directors, for it to be put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor.
8.3.2	Review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements.
8.3.3	Review with the auditors their management letter and review and monitor the nature, scope and effectiveness of the audit as well as any issues which may arise from the audit.
8.3.4	Review with management and external auditors and monitor the effectiveness of the systems of accounting and internal financial control (subject to the ICAEW guidelines on internal controls) and the systems of risk management and (unless done by the Board as a whole) shall review and approve the statements to be included in the annual report concerning internal controls and risk management.
8.3.5	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 auditors, and report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.
8.4	Whistleblowing
8.4.1	Review arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.
8.4.2	The Committee should ensure that arrangements are in place for the proportionate and independent investigation of such matters and for the appropriate follow-up action.

8.6	Risk management
8.6.1	Review the Company's operational risks not less than twice in any one calendar year and submit to the Board of Directors of the Company a regularly updated record of such risks, their potential causes and impacts and provide analysis of any mitigating steps or procedures adopted by the Company.
8.7	Valuation
8.7.1	Review the methodologies adopted by ACPL for the valuation of the Company's investments to be included in the half yearly and annual financial statements of the Company.
8.7.2	To require that ACPL maintains appropriate internal controls and processes to ensure that its valuations and its systems that are required to prepare the valuations are accurate at all times.
8.7.3	To require that Insight Investment Management Limited ("Insight") maintains appropriate internal controls and processes to ensure that its valuations and its systems that are required to prepare the valuations are accurate at all times.
8.7.4	Request from ACPL all such assessments, analyses, data, forecasts and such other material as it may consider fair and reasonable in order to fully understand the basis of ACPL's valuations and the assumptions on which they are based.
8.7.5	In relation to each investment enquire of ACPL its assessment as to (i) the date of any potential realisation of assets (ii) the likely need for additional equity or debt (iii) the likelihood of any add on investment or disposal.
8.7.6	To require that ACPL maintains sufficient expertise and individuals to ensure that it has the appropriate skills to manage the investments with the objective of maximising value to the Company.
8.8	General
8.8.1	To require that Ipes (UK) Limited ("Ipes") 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.
8.8.2	Review the possible effects of any proposed changes to applicable accounting standards, the tax status of the Company or legislation relating to regulatory and accounting matters relevant to the Company.
8.8.3	Review any other matters referred to the Committee by the Board and perform such other functions as the Board may by resolution from time to time confer upon the Committee.
8.8.4	Once a year the Committee shall review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.
8.8.5	Make publicly available its terms of reference explaining clearly its role and the authority delegated to it by the Board.
8.8.6	Make a statement in the Annual Report about its activities, the membership of the Committee, number of Committee meetings and attendance of members over the course of the year.

9.	Minutes
9.1	All minutes of the Committee shall be circulated to the next meeting of the Board of Directors of the Company.
9.2	A resolution in writing signed by all members of the Committee being entitled to receive notice of a meeting of the Committee shall be as valid and effective as if the same had been passed at a meeting of the Committee duly convened and held.