

Volta Finance Limited (the "Company")

TERMS OF REFERENCE - AUDIT COMMITTEE

1. Constitution

- 1.1 The Audit Committee (the "Committee") was constituted by resolution of the Board of Directors (the "Board") on 9 October 2007.
- 1.2 The Board have established a Risk Committee to identify, monitor, control and minimise the risks to which its investments and investing activities are exposed. For the purposes of these terms of reference, the phrase Financial and Operational Risk(s) has been used to distinguish the scope of this committee from the particular investment related risks within the scope of the Risk Committee. The term Financial and Operational Risks ("F&O Risks") is defined to include, inter alia, the risks of loss or misappropriation of assets, misstatement of assets or liabilities or failure of financial reporting systems or processes, including valuation reporting and processes.

2. Membership

- 2.1 Members of the Committee (the "**Members**") shall be appointed by the Board and the minimum membership shall be three members.
- 2.2 All the Members shall be independent non-executive directors as defined in the AIC Code at least one of whom shall have recent and relevant financial experience.
- 2.3 Only the Members have the right to attend Committee meetings. However, other individuals such as representatives of the Company's external advisers may from time to time be invited to attend all or part of any meeting as and when appropriate.
- 2.4 The external auditors will be invited to attend meetings of the Committee on a regular basis.
- 2.5 Appointments to the Committee shall be for so long as the appointee remains a Director of the Company, or, if earlier, until such time as the individual is removed from the Committee by the Board. In this context it should be noted that all Directors have agreed to stand for re-election as a Director at each Annual General Meeting and thus if they are not so re-elected they will automatically cease to be a member of the Committee.
- 2.6 The Board shall appoint the Committee Chairman who shall be an independent non-executive director. The Committee Chairman can not be the Chairman of the Company. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.

3. Secretary

- 3.1 Sanne Group (Guernsey) Limited (the "**Company Secretary**") shall act as the Secretary of the Committee.

4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Meetings

- 5.1 The Members may convene the Committee, meet together for the despatch of business and otherwise regulate their meetings as they think fit.

6. Frequency of Meetings

- 6.1 The Committee shall meet at least two times a year at appropriate times in the reporting and audit cycle and otherwise as required.¹

7. Notice of Meetings

- 7.1 Meetings of the Committee shall be summoned by the Company Secretary of the Committee at the request of any of its members or at the request of the external advisors if they consider it necessary.
- 7.2 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, no later than 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.

8. Minutes of Meetings

- 8.1 The Company Secretary shall minute the proceedings, recommendations and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 8.2 The Company Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 8.3 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board.

9. Annual General Meeting

- 9.1 The Chairman of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

10. Duties

The Committee should carry out the duties below for the Company and major subsidiary undertakings, as appropriate.

10.1 Financial Reporting

- 10.1.1 The Committee shall monitor the integrity of the financial statements of the Company, including its annual report, preliminary results' announcements and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain. The Committee shall also review summary financial statements, significant financial returns to regulators and any financial information contained in certain other documents, such as announcements of a price sensitive nature.
- 10.1.2 The Committee shall review and challenge where 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 clarity of disclosure in the Company's financial reports and the context in which statements are made; and
- (e) all material information presented with the financial statements (insofar as it relates to the audit and F&O risk management);

10.1.3 Where requested the Committee should provide advice to the board 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 position and performance, business model and strategy.

10.1.4 The Committee should 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.

10.2 Internal Controls and Risk Management Systems

- 10.2.1 The Committee shall keep under review the effectiveness of the Company's financial reporting procedures, internal controls and accounting and risk management systems in so far as they relate to F&O Risks; and
- 10.2.2 The Committee shall review and approve the statements to be included in the Annual Report concerning internal controls and risk management, in so far as they relate to F&O Risk Management, before approval by the Board.

10.3 External Audit

- 10.3.1 The Committee shall consider and make recommendations to the Board, to be put to shareholders or approval at the AGM, in relation to the appointment, reappointment 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 this and decide whether any action is required;
- 10.3.2 The Committee shall oversee the relationship with the external auditor including (but not limited to):
 - (a) approval 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;
 - (b) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - (c) assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
 - (d) 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);
 - (e) agreeing with the Board a policy on the employment of former employees of the Company's auditor, then monitoring the implementation of this policy;
 - (f) 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

- (g) assessing annually their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditor on their own internal quality procedures.
- 10.3.3 The Committee shall if considered appropriate, 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 to discuss their remit and any issues arising from the audit;
 - 10.3.4 The Committee shall review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement;
 - 10.3.5 The Committee shall review the findings of the audit with the external auditor. This shall include but not be limited to, the following;
 - (a) a discussion of any major issues which arose during the audit;
 - (b) any accounting and audit judgements; and
 - (c) levels of errors identified during the audit.
 - 10.3.6 The Committee shall also review the effectiveness of the audit.
 - 10.3.7 The Committee shall review any representation letter(s) requested by the external auditor before they are signed on behalf of the Company; and
 - 10.3.8 The Committee shall develop and implement a policy on the engagement of the auditor to supply non audit services taking into account relevant guidance regarding the provision of non-audit services by the external audit firm; and to 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..

11. Reporting Responsibilities

- 11.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3 The Committee shall make a statement in the Company's Annual Report about its activities which should include:
 - a) The significant issues that the Committee considered in relation to the financial statements, and how these issues were addresses;
 - 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 auditors, and the information on the length of tenure of the current audit firm and when a tender was last conducted; and
 - c) If the external auditor provides non-audit services, an explanation of how auditor objectivity and independence are safeguarded.

12. Other Matters

- 12.1 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 12.2 The Committee shall give due consideration to any relevant legal requirements, the provisions and recommendations in the AIC Code and the requirements of the Euronext Listing Rules and associated guidance;

- 12.3 The Committee shall be responsible for co-ordination of the external auditors;
- 12.4 The Committee shall oversee any investigation of activities which are within its terms of reference and act as a court of the last resort; and
- 12.5 The Committee shall at least once a year, review its own performance, 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.

13. Authority

- 13.1 The Committee is authorised to seek any information it requires from any employee of the Company or any of its external advisers in order to perform its duties;
- 13.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference; and
- 13.3 The Committee is authorised to call any employee or any of its external advisers to be questioned at a meeting of the Committee as and when required.

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