

**CVC INCOME & GROWTH LIMITED
(THE "COMPANY")**

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

ADOPTED: 16 SEPTEMBER 2022

1. COMPOSITION AND MEETINGS OF AUDIT COMMITTEE

- 1.1 The Audit Committee shall comprise not less than two independent non-executive directors of the Company, to be selected by the board of directors of the Company (the "**Board**"), in consultation with the chairman of the Audit Committee.
- 1.2 A majority of the members of the Audit Committee shall be independent in character and judgement and free from any relationships or circumstances which are likely to affect, or could appear to affect, the Committee member's judgement.
- 1.3 At least one member of the Audit Committee must have competence in accounting or auditing or both. The Committee as a whole should have competence relevant to the sector in which the Company operates.
- 1.4 Appointments to the Committee are for a period of up to three years which may be extended by three further three-year periods, provided the member remains independent.
- 1.5 The Chairman of the Company may be a member (but not chairman) of the Audit Committee, provided that he or she was considered independent on appointment to the Board.
- 1.6 If any member of the Audit Committee is unable to act for any reason, the chairman of the Audit Committee may appoint any other independent non-executive director of the Company to act as his alternate.
- 1.7 The chairman of the Audit Committee shall be appointed by the Board and shall be an independent non-executive director. In the absence of the chairman of the Audit Committee, the remaining members shall elect one of their number to chair the meeting.
- 1.8 The Company Secretary (or his or her nominee) shall be the secretary of the Audit Committee.
- 1.9 The quorum for meetings of the Audit Committee is any two of its members.
- 1.10 No one other than an Audit Committee member is entitled to attend meetings of the Audit Committee but others may attend by invitation.
- 1.11 The external auditor may be invited to attend meetings of the Audit Committee.
- 1.12 Meetings of the Audit Committee are to be held at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required.
- 1.13 Any of the Audit Committee members or the Company's external auditors may request a meeting of the Audit Committee if he or she considers it necessary, to be arranged by the Company Secretary.

2. **AUTHORISATIONS**

The Audit Committee is authorised by the Board:

- 2.1 to investigate any activity within its terms of reference;
- 2.2 to obtain any information it requires from any contractual counterparty (to the extent applicable) and to call any contractual counterparty to be questioned at a meeting of the Audit Committee as and when required (and all contractual counterparties are directed to co-operate with any request made by the Audit Committee);
- 2.3 to obtain, at the Company's expense, such legal or other independent professional advice as it deems necessary to fulfil its responsibilities;
- 2.4 to secure the attendance of other persons at its meetings if it considers this necessary; and
- 2.5 to have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Audit Committee and the Board.

3. **DUTIES OF THE AUDIT COMMITTEE**

The duties of the Audit Committee are:

External audit

- 3.1 in respect of the external audit:
 - 3.1.1 to consider and make recommendations to the Board in relation to the appointment, reappointment and removal of the external auditors. The Audit Committee shall oversee the selection process for new auditors and if an auditor resigns, the Audit Committee shall investigate the issues leading to this and decide whether any action is required;
 - 3.1.2 ensure that at least once every ten years the audit services contract is put out to tender to enable the committee to compare the quality, effectiveness and cost of the services provided by the incumbent auditor with those of other audit firms; and in respect of such tender oversee the selection process and ensure that all tendering firms have such access as is necessary to information and individuals during the duration of the tendering process;
 - 3.1.3 to consider and approve the remuneration of the external auditors, whether for fees for audit or non-audit services and that the level of fees are appropriate to enable a comprehensive and quality audit to be conducted;
 - 3.1.4 to approve the terms of engagement of the external auditors, including the engagement letter issued at the start of each audit and the scope of the audit and to discuss with the external auditors before the audit starts the nature and scope of the audit and to ensure co-ordination where more than one firm of external auditors is involved;
 - 3.1.5 to meet regularly with the external auditors, including once at the planning stage before the audit to discuss their remit and audit plan and once after the audit at the reporting stage to discuss any issues arising from the audit.

- 3.1.6 to review the findings of the audit with the external auditors. 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;
 - (c) level of errors identified during the audit; and
 - (d) the effectiveness of the audit.
- 3.1.7 to keep under review the scope and results of the audit, the audit fee and its cost effectiveness, taking into consideration relevant professional and regulatory requirements;
- 3.1.8 to review:
 - (a) any representation letters requested by the external auditors before they are approved by the Board; and
 - (b) the external auditor's management letter and response to the auditor's findings and recommendations;
- 3.1.9 to develop and implement a policy on the supply of non-audit services by the external auditors, taking into account any relevant ethical guidance on the matter, and to keep such policy under review;
- 3.1.10 to assess annually the external auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the external auditors as a whole, including the provision of any non-audit services;
- 3.1.11 to satisfy itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditors and the Company and its Directors (other than in the ordinary course of business);
- 3.1.12 to receive periodic reports from the external auditor, to monitor the external auditor's compliance with relevant ethical and professional guidance on the rotation of external audit partners and the level of fees paid by the Company compared to the overall fee income of the external auditor;
- 3.1.13 to assess annually the qualifications, expertise and resources of the external auditors and the effectiveness of the audit process which shall include a report from the external auditors on their own internal quality procedures;
- 3.1.14 to consider the risk of the withdrawal of the Company's present auditor from the market; and
- 3.1.15 to discuss problems and reservations arising from audits and any matters the auditors may wish to discuss.

Audit Plan

- 3.2 to review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement.

Financial statements

- 3.3 to review and monitor the integrity of the financial statements of the Company including its half-year financial statements and annual report and reports to shareholders reviewing any significant financial reporting issues and judgements which they contain;
- 3.4 the Audit Committee shall annually consider the appropriateness of the accounting policies, including where necessary:
 - 3.4.1 the consistency of, and any changes to, accounting policies both on a year-on-year basis and across the Company;
 - 3.4.2 the methods used to account for significant or unusual transactions where different approaches are possible;
- 3.5 to review the content of the annual report and accounts and advise the board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, position, business model and strategy;
- 3.6 to submit financial statements to the Board for its approval and to determine what information should be brought to the Board's attention in connection with that submission.

Recommendations, reports and actions

- 3.7 to consider the major findings of internal investigations and the Board's response;
- 3.8 to make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;
- 3.9 to prepare a report to shareholders on its activities to be included in the Company's annual report;
- 3.10 to oversee any investigation of activities which are within its terms of reference;
- 3.11 to, 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 for Board approval;
- 3.12 to consider other matters as referred to the Audit Committee by the Board.

4. OTHER MATTERS

The Audit Committee shall:

- 4.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 4.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members; and
- 4.3 give due consideration to laws and regulations, the provisions of the AIC Code of Corporate Governance, the UK Corporate Governance Code and the requirements of the UK Financial Conduct Authority's UK Listing Rules, Prospectus Rules and

Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate.

5. AUDIT COMMITTEE CHAIRMAN

The Audit Committee chairman shall:

- 5.1 report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities; and
- 5.2 attend the Company's annual general meeting and be prepared to answer shareholders' questions on the Audit Committee's activities.

6. SECRETARY

The Company Secretary shall:

- 6.1 minute the proceedings and resolutions of all meetings of the Audit Committee, including recording the names of those present and in attendance;
- 6.2 ascertain, at the beginning of each meeting the existence of any conflicts of interest and minute them accordingly; and
- 6.3 shall promptly circulate minutes of Audit Committee meetings to all members of the Audit Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.