

# **GLOBAL FIXED INCOME REALISATION LIMITED**

## **Audit Committee Terms of Reference**

### **Constitution**

The Board hereby resolves to establish a Committee of the Board to be known as the Audit Committee.

### **Membership**

The Committee shall consist of the Independent Directors. A quorum shall be two members. The Chairman shall be appointed by the Board. The Company Secretary (who shall be Secretary of the Committee) shall normally attend meetings.

### **Meetings**

The Audit Committee shall meet at least twice a year. The external auditors will normally be invited to attend the meetings at which the Annual Accounts and Interim Reports are considered. The auditors may attend other meetings either at the request of the Committee or at their own request. The Committee may meet with the external auditors without any representatives of the Administrator or Investment Manager present.

Unless otherwise agreed, notice of each meeting shall be forwarded to each member of the Committee and any other attendee, no fewer than five days prior to the meeting.

### **Authority**

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from Gottex Asset Management (UK) Limited (the “Investment Manager”) and Praxis Fund Services Limited (the “Administrator” and “Company Secretary”).

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The amount of any fees so incurred shall be borne by the Company.

### **Duties**

The duties of the Audit Committee are:

- a) To make recommendations to the Board, for it to be 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.
- b) To review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK and Guernsey 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 judgemental 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 any relevant Listing Authority
- e) To discuss problems and reservations arising from the interim reviews and final audits, and any matters the auditors may wish to discuss (in the absence of the Investment Manager where necessary).
- f) To review reports from the auditors including the auditor's report to the Board.
- g) To review the Administration and Investment Manager statements 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 Administration and Investment Manager policies for preventing or detecting fraud
  - iii) the Administration and Investment Manager policies for ensuring that they comply with relevant regulatory and legal requirements
  - iv) any reports on the Administration and Investment Manager internal control systems as well as any other service providers. In so doing, the Committee shall be entitled to direct access to the compliance officers of the Administrator and Investment Manager.
- h) To consider annually whether there is a need for an internal audit function specific to the Company.
- i) To consider other topics, as defined by the Board.

### **Reporting Procedures**

The Secretary shall circulate the Minutes of Meetings of the Committee to all members of the Board.

### **Review of Performance**

The Committee will review annually whether it has covered its requirements under the Terms of Reference and its own effectiveness as a Committee.