

INVESTEC STRUCTURED PRODUCTS CALCULUS VCT PLC
(“the Company”)

TERMS OF REFERENCE FOR AN AUDIT COMMITTEE

1. Constitution

The Board of Directors of the Company (“Board”) hereby resolves to establish a committee of the Board to be known as the Audit Committee (the “Committee”).

2. Membership and Quorum

The Committee shall comprise of all the independent directors of the Company from time to time.

A quorum 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.

At least one member of the Committee shall have recent and relevant financial experience to the satisfaction of the Board.

One of the Directors (other than the chairman of the Board) shall be appointed by the Board as chairman of the Audit Committee. The Chairman should be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number present to chair the meeting.

Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence. (To the extent possible, the Chairmanship and membership of the Committee should be rotated on a regular basis.

Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three-year period, so long as members continue to be independent.

3. Attendance at Meetings

The Committee shall invite a representative of the external auditors to at least one meeting a year as well as inviting the head of the Managers’ internal audit function and/or compliance officer to attend meetings as necessary. The Committee should have at least one meeting, or part thereof, with the external auditor without management being present should the Committee deem it to be necessary.

The Committee may ask senior representatives of the Managers and the Administrator to attend meetings, either regularly or by invitation, but invitees shall have no right of attendance.

Other Directors may attend the meetings by invitation but, if they are non-independent they may not vote.

Other non-members of the Committee may be invited to attend all or part of any meeting as and when appropriate and necessary.

Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to be independent.

4. Company Secretary

The Company Secretary of the Company or their nominee shall act as the secretary of the Committee.

5. Frequency of Meetings

Meetings shall be held not less than twice a year and at such other times as the Chairman of the Committee shall require. The external auditors and/or Managers may request a meeting if they consider that one is necessary.

Meetings will be arranged to coincide with the publication of the Company's Annual and Half Yearly financial statements.

Outside of the formal meeting programme, the Committee Chairman will maintain a dialogue with key individuals involved in the Company's governance, including the Board Chairman, the Manager and the external audit lead partner.

6. Notice of Meetings

Meetings of the Audit Committee shall be convened by the Secretary of the Committee at the request of any member.

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 members of the Board, at least five working days prior to the meeting.

7. Minutes of Meetings

The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recoding the names of those present and in attendance.

The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

Minutes of Committee meetings shall be circulated to all members of the Committee and to the Chairman and all other members of the Board unless it would be inappropriate to do so in the opinion of the Committee Chairman.

8. 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 any employee and all employees and advisers are directed to co-operate with any request made by the Committee.

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.

9. Annual General Meeting

The Chairman of the Committee shall attend the Annual General Meeting to respond to any shareholder questions of the Committee's activities.

10. Duties

The duties of the Committee shall be:

- 10.1 to monitor and review the integrity and effectiveness of the financial statements of the Company's financial reporting, and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements contained in them;

- 10.2 to review the effectiveness of the Company's internal financial controls and, unless expressly addressed by a separate Board risk committee, or by the Board itself, to review the Company's internal control and risk management systems;
- 10.3 The Committee shall monitor adherence to best practice in corporate governance.
- 10.4 to monitor and review the effectiveness of the Company's internal audit function;
- 10.5 The Audit Committee shall review promptly all reports on the Company from the Manager's internal auditors.
- 10.6 The Manager's Head of Compliance and Operational Risk shall have the right of direct access to the Chairman of the Committee.
- 10.7 The Committee shall consider the major findings of internal investigations and management's response.
- 10.8 to consider and make recommendations to the Board, for it to be put to 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 and shall seek to ensure that key partners within the appointed firm are rotated from time to time;
- 10.9 to review 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;
- 10.10 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; 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;
- 10.11 to consider the appointment of an external auditor, the audit fee, all other accounting or taxation fees, any liability limitation agreement and questions of resignation or dismissal of the external auditor and to review and approve the terms of the external auditor's management engagement letter
- 10.12 to discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- 10.13 to review the half-year and annual financial statements before submission to the Board, focussing particularly on:
 - 10.13.1 any changes to accounting policies and practices;
 - 10.13.2 major judgemental areas;
 - 10.13.3 significant adjustments resulting from the audit;
 - 10.13.4 the going concern assumption;
 - 10.13.5 compliance with accounting standards; and
 - 10.13.6 compliance with stock exchange and legal requirements;
- 10.14 to discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of management where necessary);
- 10.15 to review arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;

- 10.16 to monitor and review the effectiveness of any internal audit activities (if there is no internal audit function to consider annually if there is a need for such an audit and to make a recommendation to the Board);
- 10.17 to review the external auditor's management letter and management's response;
- 10.18 to consider the major findings of internal investigations and management's response; and
- 10.19 to consider other topics, as defined by the Board.

11. Reporting Responsibilities and procedures

Where requested by the Board, the Committee shall review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balance and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Audit Committee or its Chairman shall discuss formally with the Board, at least once a year, the relationship with the external auditors, and identify any matters in respect of which it considers that action or improvement is needed and make recommendations as to the steps to be taken.

In light of its other duties the Committee shall make whatever recommendations to the Board it deems appropriate and shall compile a report to shareholders to be included in the Company's Annual Report and Accounts.

The secretary shall circulate the minutes of the meetings of the committee to all members of the Board.

The terms of reference, including its role and the authority to delegate to it, should be made available on request.

12. Other Matters

The Committee shall give due consideration to the requirements of the FCA's Listing Rules and Transparency Directive.

The Committee shall be responsible for supervising the co-ordination of the activities of the external auditors.

The Committee shall review the list of approved deposit takers and deposit limits.

The Committee is responsible for ensuring that financial information used within the business or published is reliable.

The Committee will review the whistleblowing procedures of the Management Company.

The Committee will oversee any investigation of activities which are within its terms of reference and act as a court of last resort.

The Committee should, on a regular basis, review its own performance, constitution and terms of reference to ensure it and its members are operating at maximum effectiveness.