

# Schroder AsiaPacific Fund plc

## Terms of Reference

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### For the Audit and Risk Committee

#### **Role**

1. The role of the Audit and Risk Committee is to ensure that the Company maintains the highest standards of integrity in financial reporting and internal control.

#### **Membership**

2. The Committee shall be appointed by the board and shall consist of not less than three members all of whom shall be independent non-executive directors of the Company. At least one member of the Committee should be considered by the board to have recent and relevant financial experience. A quorum shall be two members.
3. The Chairman of the Committee, who shall not be the Chairman of the board, shall be appointed by the board.
4. Membership of the Committee shall be reviewed by the board from time to time.
5. The Committee may invite such persons as it deems appropriate to attend meetings.

#### **Meetings**

6. The Committee shall meet at least twice a year inter alia to consider the interim and annual reports.
7. Meetings may be held more frequently if the Committee deems necessary or if required by the Company's auditors.
8. The Company's auditors will be advised of the timing of Committee meetings and invited to meetings when appropriate and the Committee will have access to the auditors at any time if it so requires.

## **Secretary**

9. The Company Secretary shall be the secretary of the Committee and shall attend all meetings of the Committee.

## **Authority**

10. The Committee is authorised by the board to investigate any activity within its terms of reference and seek any information it may require. It is authorised 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.

## **Role and Responsibilities**

11. The responsibilities of the Committee shall be:-

### **Financial Statements**

- (a) to 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;
- (b) To advise the board on the contents of the annual report and accounts, in particular whether, taken as a whole, it is fair and balanced and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- (c) to review and, if appropriate, recommend to the board, the Company's annual and half-yearly reports;

### **Internal Control**

- (d) to keep under review the adequacy and effectiveness of the Company's systems of internal control and risk management and to review and approve the disclosures made in the Annual Report concerning such systems;
- (e) to monitor and review annually whether an internal audit function is required;
- (f) to monitor the Company's accounting and financial internal control systems, and to monitor the internal control systems of

the Investment Manager and/or Depositary and to make recommendations on any improvements to such systems;

- (g) to monitor the Company's procedures for ensuring compliance with regulatory and financial reporting requirements and its relationship with the relevant regulatory authorities;

**External audit and relationship with the external auditor**

- (h) to discuss any matters arising from the audit and recommendations made by the auditors;
- (i) to review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement;
- (j) to make recommendations to the board, for it to 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;
- (k) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration the qualification, expertise and resources of the external auditor, which shall include a report from the external auditor on its own internal quality procedures, as well as relevant UK professional and regulatory requirements;
- (l) to review any representation letter(s) requested by the external auditor before they are entered into by the board of directors;
- (m) 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 means of determining whether auditor independence and objectivity have been safeguarded, 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;
- (n) to periodically review the need to tender audit services and to ensure that at least once every 10 years the audit services contract is put to tender; and
- (o) to consider other topics, as requested and defined by the board.

## Reporting Procedures

12. The Committee Chairman, or in his absence the elected chairman of the relevant meeting, shall report on the issues raised at the meeting to the board at the earliest opportunity and, at the meeting at which the Annual Report is considered, report to the board on how it has discharged its responsibilities during the previous year.
13. The Secretary shall produce and circulate the minutes of meetings of the Committee to all members of the board.
14. The Chairman of the Committee shall attend the AGM and shall answer questions, through the chairman of the board, on the Committee's activities and its responsibilities.

## Disclosures to Shareholders in the Annual Report

15. To ensure that the Annual Report describes the activities of the Committee in discharging its responsibilities in accordance with the requirements of the UK Corporate Governance Code.