

## **PXP VIETNAM FUND LIMITED**

### **TERMS OF REFERENCE**

#### **AUDIT COMMITTEE**

#### **1. MEMBERSHIP**

- 1.1 The Committee shall be appointed by the Board and shall comprise a Chairman and at least two other members.
- 1.2 Whilst the Committee itself would normally be made up entirely of non-executive directors, other individuals e.g. members of the investment manager or other external advisers may be invited to attend as and when appropriate.
- 1.3 All members of the Committee shall be independent of management and free from any business or other relationship which could interfere with the exercise of their free judgment.
- 1.4 Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence. Where possible, the Chairman and members of the Committee should be rotated on a regular basis.
- 1.5 The Board shall appoint the Committee Chairman who shall be a non-executive director and determine the period for which he or she shall hold office. The Chairman of the Board shall not be eligible to be appointed as the Chairman of the Committee. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of the non-executive members present to chair the meeting.

#### **2. QUORUM**

The quorum necessary for the transaction of business shall be two. 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.

#### **3. FREQUENCY OF MEETINGS**

The Committee shall meet not less than once a year and at such other times as the Chairman of the Committee shall require.

#### **4. NOTICE OF MEETINGS**

- 4.1 Meetings of the Committee shall be summoned by the Chairman of the Committee at the request of any member thereof.
- 4.2 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 fewer than five working days prior to the date of the meeting.

## **5. MINUTES OF MEETINGS**

- 5.1 The Chairman shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- 5.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and to all members of the Board.

## **6. ANNUAL GENERAL MEETING**

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

## **7. DUTIES**

### **7.1 Internal control and risk management**

The Committee shall review the Company's internal financial controls and, unless expressly addressed by a separate board risk committee composed of independent directors, or by the Board itself, to review the Company's internal control and risk management systems.

### **7.2 External Audit**

- 7.2.1 The Committee shall make recommendations to the Board, for it to put to shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and terms of engagement of the external auditor.
- 7.2.2 The Committee shall 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.
- 7.2.3 The Committee shall meet with the external auditors at least twice each year, once at the planning stage prior to the audit and once post audit at the reporting stage.
- 7.2.4 The Committee shall keep under review the relationship with external auditors including (but not limited to):
- (a) the independence, objectivity and effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
  - (b) the consideration of audit fees which should be paid as well as any other fees which are payable to auditors in respect of non-audit activities; and
  - (c) discussions with the external auditors concerning such issues as compliance with accounting standards and any proposals which the external auditors have made vis-à-vis the Company's internal auditing standards.

### **7.3 Financial statements**

- 7.3.1 The Committee shall 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.

7.3.2 The Committee shall keep under review the consistency of accounting policies both on a year to year basis and across the company/group.

7.3.3 The Committee shall review the annual financial statements of the pension funds where not reviewed by the Board as a whole.

#### 7.4 **Reporting responsibilities**

7.4.1 The Committee or its Chairman shall meet formally with the Board of Directors at least once a year to discuss such matters as the Annual Report and the relationship with the external auditors.

7.4.2 In the 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.

#### 7.5 **Other matters**

7.5.1 The Committee shall give due consideration to the requirements of the UK Listing Authority's Listing Rules.

7.5.2 The Committee shall be responsible for coordination of the internal and external auditors.

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

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

### 8. **AUTHORITY**

The Committee is authorised by the Board:

8.1 to seek any information it requires from any employee of the Company in order to perform its duties;

8.2 to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference; and

8.3 to call any member of staff to be questioned at a meeting of the Committee as and when required.

### 9. **DEFINITIONS**

#### **"Board"**

shall mean the full Board of Directors;

#### **"Committee"**

shall mean the Audit Committee.