

Puma VCT 11 plc (the "Company")

Audit Committee (the "Committee") – Terms of Reference

1. CONSTITUTION

The Committee was constituted in accordance with Articles 28.6 and 28.7 of the Company's Articles of Association.

2. DUTIES AND TERMS OF REFERENCE

The duties of the Committee will be:

- 2.1 to consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal of the auditor;
- 2.2 to discuss with the external auditor before the audit commences the nature and scope of the audit and any engagement and management thereof;
- 2.3 to review and approve the half yearly and annual financial statements of the Company before submission to the Board, focusing in particular on the following:
 - 2.3.1 any changes in accounting policies and practices;
 - 2.3.2 major judgmental areas;
 - 2.3.3 significant adjustments resulting from the audit;
 - 2.3.4 the going concern assumption;
 - 2.3.5 compliance with accounting standards; and
 - 2.3.6 compliance with legal requirements and good corporate governance procedure;
- 2.4 to discuss problems, reservations and recommendations arising from the interim and final audits and any matters the external auditor may wish to raise;
- 2.5 to review the monthly management accounts and detailed supporting information relating thereto;
- 2.6 to keep under review the effectiveness (including cost-effectiveness) of internal control systems and, in particular, review the external auditor's management letter and management's response and ensure management reporting systems are kept up to date;
- 2.7 to consider arrangements to prevent and detect fraud and to deal with business risk management;
- 2.8 to review the establishment and operational audit programme and, where relevant, to consider the major findings of internal operational audit reviews and management's response;
- 2.9 to review any statement to be made by the Board on internal control systems in its annual report prior to its endorsement by the Board and generally to keep under review the effectiveness of internal control systems;

- 2.10 to consider the major findings of any internal investigations and management's response to them;
- 2.11 to consider matters of corporate governance as may generally be applicable to the Company and make recommendations to the Board in connection therewith as appropriate;
- 2.12 to give due consideration to the requirements of the Listing Rules and the Disclosure and Transparency Rules of the UK Listing Authority and the Combined Code published by the Financial Reporting Council; and
- 2.13 to consider any other financial or related matters as may be requested by the Board.

3. **MEMBERSHIP**

- 3.1 The members of the Committee shall be appointed by the Board from amongst the non-executive directors.
- 3.2 The Audit Committee shall have at least two members.
- 3.3 At the date of formation of the Committee, it has been agreed that the members of the Committee will be Harold Paisner and Maurice Shore and the Committee will be chaired by Maurice Shear.
- 3.4 A quorum shall be two members of the Committee.
- 3.5 The members of the Committee can be varied at any time by a majority resolution of the existing members of the Committee, save that any additional appointment must still be an independent non-executive director.

4. **VOTING ARRANGEMENTS**

- 4.1 Each member of the Committee shall have one vote, which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee. Executive directors of the Company who attend the meetings by invitation will not be permitted to vote.
- 4.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting on that particular matter.
- 4.3 The Chairman will have a casting vote, save where he has a personal interest.

5. **ATTENDANCE AT MEETINGS**

- 5.1 The Committee will meet at least twice a year.
- 5.2 The Committee may also meet at other times during the year, as agreed between the members of the Committee.
- 5.3 Only members of the Committee have the right to attend Committee meetings. Other individuals, such as the Chairman of the Board may also be invited to attend as and when appropriate.

5.4 The Company's auditors will be invited to attend meetings of the Committee on a regular basis. The finance director of the Company may also be required to attend a meeting of the Committee from time to time with a view to consulting with the Committee.

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

6. **AUTHORITY**

The Committee is authorised by the Board to examine any activity within its terms of reference and is authorised to have unrestricted access to the Company's auditors. The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.

7. **REPORTING**

7.1 On finalisation and signature by the Chairman, the minutes of each meeting will be submitted to the Board as a formal record of the decisions of the Committee on behalf of the Board.

7.2 Draft minutes of each meeting will be circulated to all members of the Committee.

7.3 The Committee shall prepare a report each year addressed to the shareholders for inclusion in the Company's Annual Report and Accounts.

7.4 At least 21 days' notice of any meeting of the Committee shall be given, although such notice period may be waived or shortened with the consent of all the members of the Committee for the time being.

8. **GENERAL MATTERS**

8.1 Finalised minutes of the meetings of the Committee will be circulated to the members of the Board as part of the Board papers for each full meeting of the Board.

8.2 Any of the terms embodied in this document may be varied by a majority resolution of the Board.

8.3 The Chairman of the Committee should make himself available at each Annual General Meeting of the Company to answer questions concerning the Committee's work during the preceding year.

8.4 The recommendations of the Committee minutes must be approved by the Board before they can be implemented.

September 2014