

Global Opportunities Trust plc ('the Company')

Terms of Reference of the Audit and Management Engagement Committee

1. Membership

1.1 Members of the Audit and Management Engagement Committee ('the Committee') shall be appointed by the Board of Directors ('the Board') on the recommendation of the Nomination Committee, in consultation with the Chair of the Committee.

1.2 The Committee shall comprise of at least two members, all of whom shall be independent non-executive directors, at least one of whom shall have recent and relevant competence in accounting or auditing, or both.

The requirements for independence and recent and relevant competence in accounting and/or auditing may be satisfied by the same members or by different members of the Committee. The Committee as a whole shall have recent and relevant competence relevant to the investment trust sector.

The Chair of the Board may be a member of the Committee but may not chair the Committee. If the Chair of the Board is a member of the Committee, the Board should explain in the Company's annual report why it believes this is appropriate.

1.3 The Board, on the recommendation of the Nomination Committee, shall appoint the Committee Chair who shall be an independent non-executive Director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

1.4 Appointments to the Committee shall be for a period of up to three years, which may be extended for up to two further three-year periods, provided the director remains independent and still meets the criteria for membership of the Committee.

1.5 Only members of the Committee shall have the right to attend Committee meetings. However, other individuals, such as the Executive Director (Dr Sandy Nairn) and other external advisers, may be invited to attend for all or part of any meeting as and when appropriate.

1.6 The Committee may ask a representative of the external auditor to attend meetings of the Committee on a regular basis. The Committee should have one meeting, or part thereof, annually without the Executive Director being present or more, should the Committee deem that to be necessary.

1.7 Only members of the Committee are entitled to vote at meetings of the Committee.

2. Secretary

- 2.1 The Company Secretary, or their nominee, shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

3. Quorum

- 3.1 The quorum necessary for the transaction of business by the Committee 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.
- 3.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and must abstain from voting on any resolution of the Committee in which he/she and/or his/her associates have a material interest.

4. Frequency of Meetings

- 4.1 The Committee shall meet at least twice a year at appropriate times in the reporting and audit cycle and at such other times as the Committee Chair shall require.
- 4.2 Meetings will be arranged to tie in with the publication of the Company's financial statements, to be held on the same day as a Board Meeting where financial statements are to be approved, where possible.
- 4.3 Outside of the formal meeting programme, the Committee Chair will maintain a dialogue with key individuals involved in the Company's governance, including the Chair of the Board, the Executive Director, the Company Secretary, and the external audit partner.

5. Notice of Meetings

- 5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or any of its members, or at the request of the external auditor if they consider it necessary.
- 5.2 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 no fewer than five working days prior to the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. Minutes of Meetings

- 6.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance. In the absence of the Secretary of the Committee, the members present at the meeting of the Committee shall elect another person to act as secretary.

- 6.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee, and once agreed, to all members of the Board and the Company Secretary unless, exceptionally, it would be inappropriate to do so.

7. Annual General Meeting

- 7.1 The Committee Chair shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the report on the Committee's activities and matters within the scope of the Committee's responsibilities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

8. Duties

The Committee should carry out the below duties for the Company, as appropriate:

8.1 Internal Control and Risk Management Systems

- 8.1.1 The Committee shall conduct a robust assessment of the Company's principal and emerging risks and confirm in the annual report that it has completed this assessment, including a description of its principal risks, what procedures are in place to identify emerging risks, and an explanation of how these are being managed or mitigated.

- 8.1.2 The Committee shall keep under review the Company's risk management and internal financial controls, being the systems established to identify, assess, manage and monitor financial risks, and, at least annually, review their adequacy and effectiveness and report on such review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls. The Committee shall also consider the major findings of internal investigations and the response of management thereto.

- 8.1.3 The Committee shall:

- a) review the Company's procedures for detecting fraud, financial control or any other matters;
- b) review the Administrator's reports on the effectiveness of their systems for internal financial control, financial reporting and risk management;
- c) monitor the integrity of the Administrator's internal financial controls;
- d) review the disclosures included in the annual report and financial statements in relation to internal control, risk management and longer-term viability, prior to endorsement by the Board, and the policies and process for identifying and assessing business risks and the management of those risks by the Company;
- e) assess the scope and effectiveness of the systems established by the Administrator to identify, assess, manage and monitor financial and non-financial risks; and
- f) ensure that there are clear processes for bringing significant issues to its attention more rapidly when required and agreed triggers for doing so.

8.2 Internal Audit

8.2.1 The Committee shall consider annually whether there is a need for an internal audit function and make a recommendation to the Board accordingly. The reasons for the absence of such a function should be explained in the relevant section of the annual report.

8.3 External Audit

8.3.1 The Committee shall consider and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, as regards the appointment and re-appointment of the Company's external auditor, as well as any questions relating to their resignation or removal. The Committee shall be responsible for the selection procedure and will conduct the selection process for the new auditor and, if the auditor resigns, the Committee shall investigate the issues leading to this and decide whether any action is required.

8.3.2 ensure that at least once every ten years, the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms and, in respect of such tender, conduct the selection procedure ensuring that all tendering firms have such access to all necessary information and individuals during the tendering process. No single firm may serve as the Company's auditor for a period exceeding 20 years.

8.3.3 The Committee shall oversee the relationship with the external auditor including (but not limited to):

- a) approval of their remuneration, whether fees for audit or non-audit services, and satisfying itself that the level of fees is appropriate to enable an effective, high-quality audit to be conducted;
- b) approval of their terms of engagement, including any engagement letter issued at the start of each audit, and reviewing the scope of each audit;
- c) monitoring and assessing, at least annually, their independence and objectivity, taking into account relevant UK law, regulations, ethical standards and other professional and regulatory requirements;
- d) seeking information annually about the external auditor's policies and processes for maintaining independence and monitoring compliance with relevant requirements, including those regarding the rotation of audit partners and staff;
- e) ensuring that the external auditor is not conflicted by any other work conducted for the Executive Director or Administrator, and that any potential conflicts have been satisfactorily resolved;
- f) assessing annually and reporting to the Board on the qualifications, expertise, resources and independence of the external auditor, which shall include obtaining a report from the external auditor on their own internal quality procedures and consideration of the audit firm's annual transparency reports, where available;
- g) reviewing and monitoring the effectiveness of the audit process, taking into

consideration relevant UK professional and regulatory requirements; and

- h) agreeing with the Board a policy on the employment of former employees of the Company's external auditor, then monitoring the implementation of this policy.

8.3.4 The Committee shall review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement, including planned levels of materiality and proposed resources.

8.3.5 The Committee shall review any representation letter(s) requested by the external auditor before they are signed by the Board.

8.3.6 The Committee shall review the findings of the audit with the external auditor. This shall include but not be limited to the following:

- a) a discussion of any major issues which arose during the audit, including those that have been resolved and those that remain unresolved;
- b) an explanation from the external auditor as to how they have addressed any risks previously identified;
- c) a review of the evidence received in relation to each area of significant judgement and of key accounting and audit judgements; and
- d) levels of errors identified during the audit and the reasons for any that remain unadjusted.

8.3.7 The Committee shall review the external auditor's management letter and management's response to the auditor's findings and recommendations.

8.3.8 The Committee shall report to the Board any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

8.3.9 The Committee shall ensure that the external auditor is not engaged to provide the Company with any non-audit services.

8.3.10 The Committee shall meet with the external auditor at least once a year, post-audit at the reporting stage, to review any matters arising in the course of the audit with respect to accounting or internal control systems.

8.3.11 At the end of the annual audit cycle, the Committee should assess the effectiveness of the audit process. In the course of doing so, the Committee should:

- a) review whether the auditor has met the agreed audit plan and understand the reasons for any changes, including changes in perceived audit risks and the work undertaken by the external auditor to address those risks;
- b) obtain feedback about the conduct of the audit from the Administrator, Company Secretary, and any other external advisers involved; and

- c) review and monitor the content of the external auditor's management letter, in order to assess whether it is based on a good understanding of the Company's business and establish whether recommendations have been acted upon and, if not, the reasons why they have not been acted upon.

8.4 Financial Statements

8.4.1 The Committee shall monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports, preliminary and any other formal announcements relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain. The Committee shall also review summary financial statements, significant financial returns to regulators and any financial information contained in certain other documents, such as announcements of a price sensitive nature.

8.4.2 The Committee shall assess and report to the Board on the significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements and other formal statements, having regard to matters communicated to it by the auditor, and challenge where necessary:

- a) the appropriateness, consistency of, and any significant changes to accounting policies of the Company on a year-on-year basis;
- b) the methods used to account for significant or unusual transactions where different approaches are possible;
- c) decisions requiring a major element of judgement;
- d) whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- e) the extent to which the financial statements are affected by any unusual transaction;
- f) the clarity and completeness of disclosures and the context in which statements are made;
- g) the methods used to account for significant adjustments resulting from the audit;
- h) the basis on which the Company has been determined to be a going concern. In annual and half-yearly financial statements, the Committee should state whether it considers it appropriate to adopt the going concern basis of accounting in preparing them and to identify any material uncertainties to the Company's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements;
- i) for the purposes of the viability statement:
 - (i) taking account of the Company's current position and principal and emerging risks, the Board should explain in the annual report how it has assessed the prospects of the Company, over what period it has done so (longer than 12 months) and why it considers that period to be appropriate; and

(ii) determining and reporting to shareholders in the annual report whether there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of assessment, drawing attention to any qualifications and assumptions as necessary;

j) compliance with accounting standards;

k) compliance with stock exchange and other legal requirements; and

l) all material information presented within the financial statements, such as the Strategic Report, the Chair's Statement, the Portfolio Review, the Directors' Remuneration Report and the Corporate Governance Statement (insofar as it relates to the audit and to risk management).

8.4.3 Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board.

8.5 Reporting Responsibilities

8.5.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities.

8.5.2 The Committee shall review the contents of the annual report and half yearly financial statements and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

8.5.3 The Committee shall report on significant issues that it considered in relation to the annual and half yearly financial statements and how these were addressed.

8.5.4 In its assessment of the effectiveness of the external audit process, the approach taken to the appointment or reappointment of the external auditor, length of tenure of audit firm, when a tender was last conducted and advance notice of any retendering plans.

8.5.5 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 financial statements.

8.5.6 In compiling the above reports, the Committee should exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant but should include at least those matters that have formed the Board's assessment of whether the Company is a going concern and the inputs to the Board's viability statement. The report to shareholders need not repeat information disclosed elsewhere in the annual financial report but could provide cross-references to that information.

8.6 Communication with shareholders

8.6.1 The Terms of Reference of the Committee, including its role and the authority delegated to it by the Board, should be made available on the Company's website.

8.6.2 The Committee shall compile a report to be included in the annual report to include the following matters, inter alia:

- a) a summary of the role and work of the Committee;
- b) how the Committee's composition requirements have been addressed and the names and qualifications of all members of the Committee during the period;
- c) the number of Committee meetings held;
- d) how the Committee's performance evaluation has been conducted;
- e) an explanation of how it has assessed the independence and effectiveness of the external audit process;
- f) its recommendation on the appointment, re-appointment or removal of the external auditor, including the length of tenure of the current audit firm, the current audit partner's name, and for how long the partner has held the role. In the event that the Board does not accept the Committee's recommendation on the external auditor's appointment, re-appointment or removal, a statement from the Committee explaining its recommendation and the reasons why the Board has taken a different position (this should also be supplied in any papers recommending appointment or re-appointment);
- g) when a tender was last conducted, advance notice of any re-tendering plans and any contractual provisions restricting the Committee's choice of auditor;
- h) the audit fees for the statutory audit of the Company's financial statements paid to the auditor and its network firms for audit-related services and other non-audit services, including the ratio of non-audit work. For each significant engagement, the report should explain what the services are and why the Committee has concluded that it was in the interests of the Company to purchase them from the external auditor; and
- i) the significant issues that the Committee considered in relation to the financial statements and how these were addressed, having regard to matters communicated to it by the auditor.

8.7 Management agreement

The Committee will, on an annual basis, review the performance of the Executive Director and Sub-Advisor (Franklin Templeton Investment Management Limited) and the fees paid to them for the services that they provide under their respective management contracts, together with the terms of such contracts. Investment performance is reviewed by the Board.

8.8 Other fees

The Committee will consider the nature of any extra charges imposed by the Executive Director and Sub-Advisor over and above the management fees and any additional benefits received from the Company.

8.9 Company secretarial and administration agreement

The Committee will, on an annual basis, review the performance of the Administrator in performing company secretarial and administration services to the Company.

8.10 Third party agreements

The Committee will, on an annual basis, review the performance of the Company's other service providers including, but not limited to, the custodian and the registrar, and monitor their compliance with the terms of their respective agreements as thought appropriate.

8.11 Other matters

- 8.11.1 The Committee shall review the Company's arrangements for its employees, if applicable, and its service providers to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters, and appropriate follow up action.
- 8.11.2 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.
- 8.11.3 The Committee shall oversee any investigation of activities, which are within its terms of reference.
- 8.11.4 The Committee should consider such other matters as the Board may from time to time refer to it.
- 8.11.5 The Committee shall be provided at the Company's expense with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 8.11.6 The Committee shall give due consideration to all applicable laws and regulations, the provisions of the AIC Code and published guidelines or recommendations regarding the audit and publication of financial accounts, the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules, the FCA's Remuneration Code or under the AIFMD or CRD IV and any other guidelines published by industry bodies that they consider appropriate.
- 8.11.7 The Committee shall, at least once a year, review its own performance, constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval, and shall prepare a report on its role and responsibilities and the actions it has taken to discharge those responsibilities for inclusion in the annual report and financial statements.
- 8.11.8 Every member of the Committee shall give sufficient time and attention to his/her duties as a member of the Committee. He/she shall give the Company the benefit of his/her skills and expertise through regular attendance and active participation.

9. Authority

9.1 The Committee is authorised to:

- a) seek any information it requires from any Director of the Company, the Company Secretary, or any of the Company's service providers in order to perform its duties;
- b) obtain, at the Company's expense, independent legal, accounting or other professional advice on any matters within its Terms of Reference and secure the attendance of third parties with relevant experience and expertise at meetings if it considers this necessary;
- c) call any Director of the Company, the Company Secretary, or any of the Company's service providers to be questioned at a meeting of the Committee as and when required; and
- d) have the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board. If the Board has not accepted the Committee's recommendation on the external auditor appointment, reappointment or removal, the annual report should include a statement explaining the Committee's recommendation and the reasons why the Board has taken a different position.

10. Amendment to Terms of Reference

10.1 These Terms of Reference may be amended from time to time as required, subject to approval by the Board.

Approved by the Board on 17 August 2022

ADDENDUM TO TERMS OF REFERENCE

MEMBERSHIP OF COMMITTEE & APPOINTMENT SCHEDULE

Members	Appointment Date
David Ross (Chair)	1 June 2014
Hazel Cameron	18 May 2021
Cahal Dowds	18 May 2021