

**TERMS OF REFERENCE OF THE AUDIT
COMMITTEE (THE “COMMITTEE”) OF THE BOARD OF DIRECTORS (THE “BOARD”)
OF DUNEDIN INCOME GROWTH INVESTMENT TRUST PLC (THE “COMPANY”)**

1. AUTHORITY & MEMBERSHIP

- 1.1 The Committee is authorised to investigate and undertake any activity within these terms of reference. It is authorised to seek any information it properly requires from any employee of Aberdeen Asset Management Ltd (the “Manager”). All such employees are directed to co-operate with any such request made by the Committee.
- 1.2 If the Committee considers it necessary or desirable so to do, it is authorised to obtain advice or information from, or secure the services of, external sources with relevant experience and expertise to assist it in the performance of its duties and to invite persons representing any such sources to attend meetings of the Committee. The cost of obtaining such advice or services shall be borne by the Company.
- 1.3 The Committee shall be appointed by the Board. All members of the Committee shall be independent non-executive Directors of the Company. The Committee shall consist of not less than two members. The Chairman of the Board can be a member of, but not chair, the Committee, provided he or she was considered independent on appointment.

2. MEETINGS

- 2.1 The Committee shall meet at least twice in each year, at such times and locations as may be agreed by its members. In addition, any member of the Committee may at any time convene a meeting of the Committee. If they consider that one is necessary or desirable, the Company’s auditors may also request a meeting of the Committee at any time. The quorum for any meeting of the Committee shall be two.
- 2.2 Such employee(s) of the Manager as are appropriate for the purpose and (a) representative(s) of the Company’s auditors shall attend meetings, if appropriate, of the Committee (but they shall have no right to vote at such meetings). Any member of the Board who is not a member of the Committee shall have the right to attend (but not to vote at) any meeting of the Committee.
- 2.3 At least once in each year, the Committee shall meet with the Company’s auditors without the presence of any employee of the Manager.

3. DUTIES

The duties of the Committee shall be:

- (i) to consider the appointment of the Company’s auditors, review their services and performance, their remuneration and cost effectiveness, their independence and objectivity and any questions of their resignation or dismissal. In relation to the supply of non-audit services to the Company or any of its subsidiary undertakings, review the volume, nature and extent of such services to ensure a balance is maintained;

- (ii) to approve the remit of the independent auditors and, if necessary, to request special reviews outwith the scope of the auditors' statutory duties including (without limitation) the review of any financial information prior to publication, such as prospectuses and forecasts;
- (iii) to review the interim and annual financial statements of the Company before their submission to the Board, focusing particularly on:-
 - (a) any changes in accounting policies and practices;
 - (b) major judgmental areas including, but not limited to the review of the basis of the valuation of the unlisted investments.
 - (c) significant adjustments resulting from the review or audit carried out by the Company's auditors in connection therewith;
 - (d) the going concern assumption;
 - (e) compliance with applicable accounting standards and practices; and
 - (f) compliance with applicable London Stock Exchange, legal and other regulatory requirements.
- (iv) to discuss problems and reservations (whether of the auditors or of the members of the Committee or of the other directors of the Company) arising from the review by the Company's auditors of interim financial information and/or the annual audit and any other matters which the Company's auditors may wish to discuss (without the presence of the employees of the Manager, where appropriate);
- (v) in relation to each annual audit, to review the auditors' letter to the Committee;
- (vi) to review the effectiveness of the financial planning and internal control systems (including financial, operational and compliance controls and risk management) and discuss with the Manager the implementation of improvements;
- (vii) to review the Company's statement on its system of internal controls as set out in the directors' report accompanying the Company's annual accounts prior to endorsement of that statement by the Board;
- (viii) to consider any major findings of the auditors pursuant to any investigations carried out by the auditors concerning the Company's financial affairs or its system of internal controls and any response of the Manager thereto;
- (ix) to maintain informal contact with the Manager, the Board and the auditors on the above matters;
- (x) to consider such matters as may be requested by the Board; and
- (xi) to review the terms of the management agreement.

4. REPORTING

The secretary of the Committee shall circulate an agenda before each meeting of the Committee to all members of the Committee and the Company's auditors and, after each

such meeting, shall circulate the minutes of such meeting to all members of the Board and the Company's auditors.