



Riverstone Energy Limited
(the “Company”)

Registered Number: 56689

Audit Committee
Terms of Reference

Primary responsibility	To assist the Board in carrying out its responsibilities relating to overseeing the Company’s financial reporting and audit processes, internal controls and risk matrix.
Membership	<p>The Audit Committee (the “Committee”) shall comprise at least three members. The members of the Committee shall be appointed by the Board, on the recommendation of the Nomination and Remuneration Committee, from amongst the independent directors of the Company. At least one member shall have recent and relevant financial experience.</p> <p>The Chair of the Committee shall be appointed by the Board. In the absence of the Committee Chair and/or an appointed deputy, the remaining members of the Committee present shall elect one of themselves to chair the meeting.</p> <p>The Chair of the Board may be a member of the Committee so long as the members of the Board and the Committee agree that the Chair’s membership of the Committee adds value to the duties undertaken by the Committee as a whole.</p> <p>Any member who is determined by the Board no longer to be independent shall cease to be a member of the Committee.</p>
Frequency and location of meetings	<p>Meetings shall be held at least three times a year. Additional ad hoc meetings or informal discussions shall be convened, at any other times during the year that the Committee determine appropriate. Any member of the Committee or the external auditors may request additional meetings if they consider it necessary.</p> <p>Meetings of the Committee shall be held in Guernsey or elsewhere outside of the United States and any other country in which the Company or any of its portfolio companies operate.</p>
Quorum and attendance at meetings	<p>The quorum necessary at a meeting of the Committee for the transaction of business shall be two members of the Committee.</p> <p>Representatives of the Investment Manager, the Administrator, the external auditors and other interested persons may be invited by the Committee to attend all or part of any meeting, as and when appropriate.</p> <p>At least once a year the Committee will meet the Company’s external auditors without the presence of any representative of the Investment Manager.</p>
Secretary	The Administrator shall act as the Secretary to the Committee.
Training	An induction programme is provided by the Investment Manager for new Audit Committee members.

<p>Authority</p>	<p>The Committee is authorised by the Board to:</p> <ul style="list-style-type: none"> • investigate and undertake any activity within these terms of reference; • seek any information it requires from the Investment Manager and/or the Administrator in order to perform its duties; • obtain, at the Company’s expense, outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; • 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; and • delegate any of its powers to one or more of its members or the Secretary.
<p>Duties</p>	<p>The duties of the Committee shall be:</p> <p>Financial Reporting</p> <ul style="list-style-type: none"> • to monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company’s financial performance before submission to the Board, in particular, to review and challenge, where necessary: <ul style="list-style-type: none"> ○ significant financial reporting issues and judgements which they contain; ○ the clarity and completeness of disclosures in the Company’s financial reports and the context in which statements are made; ○ compliance with the Disclosure Rules and the Transparency Rules of the Financial Conduct Authority and any Guernsey law requirements; ○ significant adjustments resulting from the audit; ○ the “going concern” assumption; ○ the consistency of, and any changes to, accounting and treasury policies; ○ whether the Company has followed appropriate accounting standards and practices and made appropriate estimates and judgements, taking into account the views of the external auditors; and ○ all material information presented with the financial statements. • where requested by the Board, to review the Annual Report and Financial Statements and advise the Board on whether, taken as a whole, they are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company’s performance, business model and strategy. <p>Internal Controls, Risk Matrix and Internal Audit</p> <ul style="list-style-type: none"> • to keep under review the scope and effectiveness of the Company’s financial and non-financial internal controls and risk matrix; • to review and approve the statements to be included in the Annual Report concerning internal controls and risk management; and

- to consider annually whether there is a need for an internal audit function and to explain the reasons for the absence of such a function in the Annual Report.

External Audit

- to consider and make appropriate recommendations to the Board, to be put to the shareholders to consider at the Company's annual general meeting, in relation to the appointment, re-appointment, resignation or removal of the Company's external auditors;
- to oversee the selection process for new external auditors and, if an external auditor resigns, investigate the issues leading to this and decide whether any action is required;
- to oversee the relationship with the external auditors, including:
 - approval of the auditors' terms of engagement and remuneration, including any engagement letter issued at the start of each audit and the scope of the audit;
 - reviewing and monitoring the auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK and Guernsey professional and regulatory requirements;
 - reviewing any representation letters requested by the external auditors; and
 - developing and implementing a policy on the engagement of the external auditors to supply non-audit services.
- to discuss and review the findings of the audit with the external auditors.

Reporting procedures

The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

The Committee Chair shall communicate as necessary to the Board after each meeting, identifying any matters in respect of which the Committee considers that action or improvement is needed and making recommendations as to the steps to be taken. The Committee Chair shall also communicate to the Board on how the Committee has discharged its responsibilities.

A report on the Committee's activities shall be disclosed in the Annual Report.

The Committee Chair shall attend the annual general meeting of the Company prepared to respond to any shareholder questions on the Committee's activities.

Self-evaluation

The Committee shall arrange for periodic review of its own performance and, at least annually, review these terms of reference and recommend any changes it considers necessary to the Board for approval.
