

**Fidelity Asian Values PLC**  
(the "Company")

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**Terms of Reference of the Audit Committee**

1. Duties

The Committee's duties shall be to:-

- 1.1 monitor the integrity of the Company's financial statements and any formal announcements relating to the Company's financial performance and review significant financial reporting judgements contained in them; including:-
  - 1.1.1 review the consistency of accounting policies both on a year to year basis; and
  - 1.1.2 review and challenge where necessary the Company's financial statements including:-
    - (a) decisions requiring a major element of judgement;
    - (b) the extent to which they are affected by any unusual transactions;
    - (c) the Company's investments, in particular the valuation of unquoted or other unusual investments;
    - (d) the clarity of disclosures;
    - (e) significant adjustments resulting from the audit;
    - (f) the going concern assumption;
    - (g) compliance with accounting standards and proposed changes to accounting policies;
    - (h) corporate governance statements relating to audit and risk management;
    - (i) compliance with stock exchange, listing prospectus and disclosure and transparency rules and other legal requirements; and
    - (j) the Company's statement on internal control systems prior to endorsement by the Board.
- 1.2 review the Company's internal financial controls and the Company's internal control and risk management systems; including receiving a report from the management company confirming that it has conducted the Company's affairs in compliance with the regulations applying to it, together with information regarding any unusual transactions or complaints relating to savings schemes or similar products;
- 1.3 review the Company's procedures for detecting fraud;
- 1.4 consider the scope of the work undertaken by the management company's internal audit function and discuss with the Manager the implementation of improvements, and in its duty to oversee the relationship with the external auditor, the Committee is to seek to ensure co-ordination with the activities of the internal audit function;
- 1.5 make recommendations to the Board for it to put to the shareholders for their approval in general meeting in relation to the appointment, re-appointment or removal of the external auditor and to recommend the remuneration and terms of engagement of the external auditor;
- 1.6 review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements and to consider the risks associated with audit firms withdrawing from the market. The Committee shall request an annual report from the auditors on policies and processes for maintaining and monitoring independence. A report on the audit firm's own internal quality control procedures shall be obtained.
- 1.7 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;
- 1.8 approve all non-audit services by the external audit firm;

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1.9 report to the Board, identifying any matters in respect of which it considers action or improvement is required, and make recommendations as to the steps to be taken.

2. Membership

2.1 The Committee shall be appointed by the Board and shall consist of not less than two members all of whom shall be independent Directors of the Company.

2.2 The Chairman of the Committee shall be appointed by the Board.

2.3 An induction programme is required for new audit committee members and ongoing training is arranged for all members as necessary.

3. Quorum

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

4. Meetings

4.1 The Committee shall meet at least three times a year in addition to at such other times as the Chairman of the Committee, the external or internal auditors or any Committee member may require.

4.2 The meetings should coincide with the availability of external and internal audit plans and when the half-yearly report, preliminary announcements and the full annual report are near completion and if deemed necessary, when the interim management statements are near completion.

4.3 At least annually, the Committee should meet the external auditors and the manager's internal auditors without management to discuss the remit and issues arising from the audit.

4.4 The Company's auditors shall be advised of the timing of Committee meetings and shall have the right to attend such meetings. The Committee shall also have direct access to the management company's heads of internal audit and compliance and any other key business heads as deemed necessary.

5. Secretary

5.1 The Company Secretary shall be the secretary of the Committee and shall, unless and to the extent from time to time determined by the Committee, attend all meetings of the Committee.

5.2 The Secretary shall circulate the minutes of Committee meetings to all members of the Board unless a conflict of interest exists.

6. Reporting requirements

6.1 The results of work carried out for the Board should be reported to and considered by the Board. The Committee should identify areas where action or improvement is required and recommend to the Board the steps which should be taken.

6.2 The Committee shall make whatever recommendations to the Board it deems appropriate.

6.3 The Committee should report to the Board where it is not satisfied with the Company's financial reporting.

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7. Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference and seek any information it requires from the management company in order to perform its duties. It is authorised to obtain outside legal or other independent professional advice at the Company’s expense and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

8. Review

8.1 The Committee should review its own performance, constitution and terms of reference on an annual basis to ensure it is operating at maximum effectiveness. Any changes should be recommended to the Board for consideration.

8.2 The Board should review the Committee’s effectiveness on an annual basis.

9. Communication with shareholders

9.1 The Committee’s terms of reference shall be available to shareholders upon request. A separate section in the Corporate Governance Report shall describe the work of the Committee in discharging its responsibilities (see 6.2 above).

9.2 The Committee Chairman shall be present at the AGM to answer questions through Company Chairman on the Annual Report and Accounts and on any matters within the Committee’s remit.

Approved by the Board 30 September 2015