

TR European Growth Trust PLC

Audit Committee

Terms of Reference (adopted: 19 February 2007)

Constitution

The Committee is appointed as a Committee of the Board in accordance with the Articles of Association of the Company.

Composition

- The Committee shall comprise all UK-based directors who are independent of the Manager;
- A quorum is any two independent directors present in person;
- The Committee shall appoint its own Chairman;
- Non-independent directors and employees of the Manager may be invited to attend;
- The Secretary to the Board shall act as Secretary to the Committee.

Conduct of Meetings

Meetings shall be held at least twice a year, normally immediately preceding the Board meetings at which the financial accounts for the year end and half year are reviewed.

Authority

The Committee is authorised to investigate any matters within its Terms of Reference and to:

- have access to all relevant information of the Company;
- obtain independent professional advice;
- call for the attendance of officers of the Investment Manager competent to discuss financial accounting matters and internal financial controls.

Terms of Reference

To assist all directors in discharging their duties and legal responsibilities in respect of the annual report and accounts, interim statements, internal control procedures and working relationship with the auditors.

Reporting

The Committee shall report to the Board with appropriate recommendations on:

Financial Statements (year end and half year)

- the appropriateness of current accounting policies and any changes proposed thereto;
- major judgmental areas, including the Company's unlisted investments with particular regard to the values attributed thereto.

Audit (year end)

- the report of the Auditors, nature and scope of the audit and any adjustments, problems or reservations identified during the audit, including the correct calculation of any performance fee in accordance with the management agreement;
- the relationship with the Auditors including their appointment, resignation or dismissal and fee proposals;
- the review and monitoring of the Auditors' independence and objectivity, and the effectiveness of the Audit process;
- the implementation of the Board's policy on the engagement of the Auditors to supply non-audit services
- an annual review of the performance of the Audit process and the Auditors.

Corporate Governance and Internal Controls (year end)

- the Directors' Report, Statement on Corporate Governance, Statement of Directors' Responsibility and Directors' Remuneration Report;
- key control risks;
- the Matrix of Investment Limits and Restrictions;
- the Henderson AAF 01/06 style report on compliance therewith;
- the Company's Risk Map.

Other issues

- such matters as the Committee considers should be brought to the attention of the Board.