

RM SECURED DIRECT LENDING PLC

Audit and Management Engagement Committee (the “Committee”) – Terms of Reference

Composition of the Committee

The Committee shall be comprised of three or more independent Directors. The Chairman of the Board may be a member of the Committee but may not act as the Committee Chairman. At least one member of the Committee shall have recent and relevant financial experience. The Committee as a whole shall have competence relevant to the sector.

The Chairman of the Committee shall be paid a fee in recognition of the additional duties involved.

Meetings

The Committee will meet at least twice each year. The minutes of each meeting of the Committee shall be circulated to all members of the Committee and other Directors of the Company. Any Director, upon request to the Secretary, may obtain copies of the Committee's agenda and minutes provided that there is no conflict of interests.

The quorum for meetings of the Committee shall be two members of the Committee.

Attendance

The Committee may invite other Board members to attend meetings and may request representatives of the Auditors, the AIFM, the Investment Manager and Administrator or any other relevant person to attend meetings, but such invitees shall have no right of attendance.

Resources

The Company Secretary shall act as Secretary to the Committee and should ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

Authority

The Committee is authorised to:

- seek any information it reasonably requires from a representative of any third party service provider in order to perform its duties;
- request a representative of a third party service provider to attend any meeting of the Committee;
- obtain at the Company's expense outside legal or other professional advice on any matters within its terms of reference; and
- have timely and unrestricted access to relevant documents relating to the affairs of the Company.

Principal Responsibilities

The principal responsibilities of the Committee are:

- to review the half-yearly and annual reports;
- to review the Company's internal financial controls and the internal control and risk management systems of the Company and its third party service providers;

- to make recommendations to the Board in relation to the appointment of the external auditor and their remuneration;
- to review the scope, results, cost effectiveness, independence and objectivity of the external auditor;
- to develop and implement policy on the engagement of the external auditor to supply non-audit services and taking into account relevant guidance regarding the provision of non-audit services by the external audit firm; and
- to consider the terms of appointment of the Investment Manager and it will annually review that appointment and the terms of the Investment Management Agreement.

The Committee shall report to the Board on how it has discharged its responsibilities.

Financial Reporting

The Committee shall:

- where requested, provide advice to the Board on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy;
- review the significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, announcements of results and related formal statements;
- consider significant accounting policies and whether the policies adopted are appropriate, any changes to them and any significant estimates and judgements;
- review the adequacy and scope of the external audit, compliance with regulatory and financial reporting requirements and the disclosures in the financial statements;
- review the Annual and Half Year Reports, Initial Accounts and Interim Accounts to ensure they have been appropriately prepared and give a fair representation of the Company's affairs;
- seek clarification of any changes in accounting policy or treatment affecting the Company's report and accounts; and
- review related information presented with the financial statements, including the Strategic Report and Corporate Governance statement;

Internal Controls and Risk Management Systems

The Committee shall:

- review the reports on the internal controls of the Company's service providers which identify the risk management systems in place for assessing, managing and monitoring risks applicable to such service providers;
- establish a process for identifying, assessing, managing and monitoring the risks which may have a financial impact on the Company;
- review reports on the conclusions of any testing carried out by the external Auditors; and

- review and approve the statements included in the Annual Report in relation to internal control and the management of risk.

Whistleblowing

The Committee shall, from time to time, review the arrangements by which staff of the AIFM, the Investment Manager and Administrator and other service providers as the Committee sees fit may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and satisfy itself that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

Audit

Internal

The Committee, annually, shall monitor and review the need for an internal audit function, and make an appropriate recommendation to the Board.

External

The Committee shall:

- be responsible for making recommendations to the Board on the appointment, reappointment and removal of the Company's Auditors and on their terms of engagement and remuneration;
- meet annually with the Auditors to review the annual results and to discuss any major issues that arose during the course of the audit;
- satisfy itself that the level of fee payable in respect of the audit services provided is appropriate for an effective audit to be conducted;
- review and if necessary seek amendments to the Letter of Representation to be given by the Board to the Auditors;
- review and discuss with the Auditors a) their engagement letter issued at the start of each audit and b) the scope of the audit process proposed to be undertaken by the Auditors;
- annually, assess the qualification, expertise, resources and independence of the external auditors and the effectiveness of the audit process;
- develop and recommend to the Board, the Company's policy on the provision of non-audit services by the Auditors;
- consider and if appropriate approve all non-audit work to be carried out by the Auditors and, where non-audit services are provided, ensure that the relevant disclosures are made in the Annual Report regarding auditor objectivity, independence and the fees paid for non-audit work;
- oversee the selection process when conducting audit tenders and appointing new external auditors; and
- at the end of the annual audit cycle, assess the effectiveness of the audit process.

Management Engagement Matters

The Committee shall:

- monitor and evaluate the Investment Manager's investment performance and, if necessary, provide appropriate guidance;
- consider the merit of obtaining, on a regular basis, an independent appraisal of the AIFM's and the Investment Manager's services;
- review at least annually the continued retention of the AIFM's and the Investment Manager's services;
- review the level and method of remuneration and the notice period of the AIFM and Investment Manager;
- ensure that each of the AIFM and the Investment Manager has an appropriate risk management and internal control system; and
- monitor and evaluate other service providers.

Reporting work of the Committee

The Committee shall disclose the workings of the Committee in the Annual Report, ensuring that the Terms of Reference for the Committee are generally available upon request or on the Company's website and that the Annual Report contains the Directors' explanation of their responsibility for preparing the accounts and a statement by the auditors about their reporting responsibilities.

The Committee will prepare a separate section of the Annual Report to describe the work of the Committee in discharging its responsibilities. This report will include:

- the significant issues that the committee considered in relation to the financial statements, and how these issues were addressed;
- an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, and information on the length of tenure of the current audit firm and when a tender was last conducted;
- if the external auditor provides non-audit services, an explanation of how auditor objectivity and independence is safeguarded; and
- the results of the evaluation of the Investment Manager.