

Comet Pension Scheme

Audit Sub-Committee - Terms of Reference

Introduction:

The Trustee has set up an audit sub-committee (the ASC). This document sets out:

- The responsibilities delegated to the ASC and
- The constitution of the ASC.

Responsibilities:

The ASC's role is to overview the governance of the Scheme by:

- Maintaining a risk register
- Monitoring the employer covenant
- Preparing a business plan
- Monitoring investment transactions
- Review of AVC arrangements
- Reviewing the Scheme administration
- Monitoring the preparation and audit of the Scheme accounts, including:
 - Audit strategy
 - Highlights memorandum
 - Agreement of audit fee
- Monitoring expenses against budget
- Ad-hoc audit requirements
- Other tasks as delegated by the full Trustee Board
- Report to the main Trustee Board

Constitution:

The ASC is a body comprising of a sub-group of the Trustee Board. The group should consist of at least 3 members.

The ASC will meet on such occasions as the Trustee shall require.

All actions taken by the ASC will be recorded in the minutes of the ASC meeting, which are retained by the Scheme Secretary. Minutes of meetings are circulated to each ASC member and to all other Trustee Directors.

A quorum shall be at least 2 members.

Other Trustee Directors will also have the right to attend and speak at ASC meetings and the ASC may invite such other persons to attend and participate in meetings as they think fit.

Signed:

Date:

Ian Edwards

23.3.11

Chairman of the Audit Sub-Committee of the Comet Pension Scheme