

FIDELITY EUROPEAN TRUST PLC

(the “Company”)

Terms of Reference of the Audit and Risk Committee

1. Function

- 1.1 The Audit and Risk Committee (the “Committee”) is appointed by the Board to assist the Board in discharging its responsibilities in relation to the integrity of the Company’s financial and narrative reporting, the external audit, and oversight of the Company’s risk management and internal control framework.
- 1.2 In carrying out its responsibilities, the Committee shall review, monitor, challenge and, where appropriate, make recommendations to the Board on matters within its remit. The Board retains ultimate responsibility for the matters delegated to the Committee and, in particular, for the approval of the Company’s annual report and financial statements and other financial reporting requiring Board approval, the going concern and viability conclusions and related disclosures, the Company’s risk management and internal control framework, and the declaration and related disclosures required by Provision 34 of the AIC Code of Corporate Governance 2024 (“AIC Code”) (equivalent Provision 29 of the UK Corporate Governance Code 2024 (“UK Code”)).

2. Membership

- 2.1 The Committee shall consist of a Chair and not fewer than two other members. The Chair of the Board shall not be a member but is invited to attend Committee meetings.
- 2.2 Committee members shall be appointed by the Board following consultation with the Chair of the Committee.
- 2.3 All Committee members shall be independent non-executive Directors and at least one should have recent and relevant financial experience. The Committee, as a whole, shall have competence relevant to the sector in which the Company operates and sufficient knowledge and experience to oversee the Company’s principal risks, risk management and internal control framework.
- 2.4 New Committee members shall undertake an induction programme. Regular updates shall be provided to Committee members regarding developments or changes in laws, regulations, governance requirements and relevant risk matters which affect the Company, the Directors and/or the Committee.
- 2.5 No person other than the Committee Chair and Committee members has the right to attend Committee meetings. Representatives of the external auditor and the Manager’s internal audit, risk and/or compliance functions shall normally be invited to attend meetings as appropriate. Representatives of the AIFM, investment manager, administrator, depositary/custodian and other Key Service Providers may also be invited to attend where matters within their responsibility are considered.
- 2.6 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. Minutes of Committee meetings shall be circulated to all members of the Board unless a conflict of interest exists.
- 2.7 Committee meeting agendas and accompanying papers should be circulated to the Committee in a timely manner.

3. Quorum

- 3.1 The quorum required for the transaction of business shall be two members.

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4. Meetings

- 4.1 The Committee shall meet at least three times a year and at such other times as the Chair of the Committee, the external auditor, the Manager’s internal audit department or any Committee member shall require.
- 4.2 Committee meetings should coincide with the availability of the external audit plan and immediately prior to the scheduled approval of the half-yearly report, annual report and financial statements and related announcements, and at other times as deemed necessary.
- 4.3 The Committee should meet the external auditor and a representative from the Manager’s internal audit department at least annually without representatives of the Manager being present to discuss the remit of the audit and issues arising therefrom. The Committee may also meet privately with representatives of the Manager’s risk and compliance functions and any Key Service Provider where it considers this appropriate.
- 4.4 The Company’s external auditor shall be advised of the timing of Committee meetings and shall be invited to attend such meetings as required. The Committee shall have direct access to the external auditor if it so requires.
- 4.5 The Committee shall have direct access, as deemed necessary, to the Manager’s compliance officer, internal audit and risk functions, the AIFM, investment manager and relevant representatives of the Company’s Key Service Providers.
- 4.6 The Manager’s internal audit, risk and compliance functions shall have direct access to the Chair of the Board and the Committee Chair where appropriate.

5. Authority

- 5.1 The Committee is authorised by the Board to investigate any activity within its terms of reference.
- 5.2 The Committee is authorised to obtain, at the Company’s expense, outside legal or other independent professional advice on any matters within its terms of reference and to secure the attendance of external parties with relevant experience and expertise if it considers this necessary.
- 5.3 The Committee is authorised to seek any information it requires from the Manager, the AIFM, the investment manager and any Key Service Provider in order to perform its duties and to require relevant representatives to attend and answer questions as and when required.
- 5.4 The Committee has the right to publish in the Company’s annual report and financial statements the details of any issues that cannot be resolved between the Committee and the Board.

6. Duties

The Committee’s duties shall be:

Financial reporting

- 6.1 Review and monitor the integrity of the Company’s financial statements and any formal announcements relating to the Company’s financial performance. This will include the review, monitoring, challenge and, where appropriate, recommendation to the Board of the following:
 - a) compliance with accounting standards, proposed changes to accounting policies and the consistency of accounting policies on a year-to-year basis;
 - b) decisions requiring a major element of judgement;

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- c) the Company's investments, in particular the valuation of unquoted or other unusual investments and the methods used to account for significant or unusual transactions where different approaches are possible;
 - d) the clarity and completeness of disclosures and the context in which such statements are made including, but not limited to, the Strategic Report, the section of the Corporate Governance Statement relating to audit, risk management and internal control, the Report from the Audit and Risk Committee and all other material information presented within the annual report and financial statements;
 - e) the provision of the Report from the Audit and Risk Committee in the Annual Report;
 - f) significant adjustments resulting from the audit;
 - g) the going concern assumption;
 - h) the external auditor's management letter and any major findings of the auditor pursuant to any investigations carried out by the external auditor concerning the Company's financial affairs or the control environment relevant to the Company, and any response of the Manager or relevant Key Service Provider thereto;
 - i) the appropriateness of the Viability Statement wording included in the Annual Report;
 - j) the letter of representation requested by the external auditor; and
 - k) compliance with applicable UK Listing Rules, Disclosure Guidance and Transparency Rules, the Companies Act 2006 and other legal and regulatory requirements, including reports from the Manager and/or other relevant service providers regarding compliance with requirements applying to the Company and any material or unusual matters relevant to the Committee's remit.
- 6.2 Provide advice, where requested by the Board, on whether the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.
- 6.3 Liaise with the Board and the Manager and invite challenge from the external auditor to consider any significant or unusual items that are, or may need to be, reflected in the annual report and financial statements, give due consideration to matters raised and recommend changes where appropriate. The Committee shall ensure that there is regular open communication between the Committee, the external auditor and the Manager.

External audit

- 6.4 Review the findings of the audit with the external auditor, including major issues arising, significant estimates and accounting or audit judgements, the level of errors identified during the audit and the effectiveness of the audit, taking into account the views of the external auditor.
- 6.5 Oversee and review the whole relationship with the external auditor including:
- a) conducting the tender process and making recommendations to the Board about the appointment, reappointment and removal of the external auditor;
 - b) making recommendations to the Board to seek shareholder approval in general meeting of the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor. This includes review of the auditor engagement letter at the start of each audit, the scope of the audit and recommendations on remuneration for all services. The Committee shall satisfy itself that the level of fees payable in respect of audit services is appropriate and that an effective, high-quality audit can be conducted for the fees proposed;
 - c) developing and implementing a policy on the engagement of the external auditor to supply non-audit services, ensuring prior approval of non-audit services, considering the impact on independence, taking into account relevant regulation and ethical guidance, and reporting to the Board on any improvement or action required. The Committee shall seek to ensure that the Company manages its non-audit relationships with audit firms so that it has a fair choice of suitable external auditors at the next tender;
 - d) reviewing the audit plan, ensuring consistency with the scope of the audit engagement, and subsequently reviewing the findings of the audit with the external auditor, including

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major issues arising, significant estimates and accounting or audit judgements, the level of errors identified and the effectiveness of the audit; and ensuring that the external auditor has full access to relevant Company and service-provider staff, information and records;

- e) monitoring the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration the FRC's Audit Committees and the External Audit: Minimum Standard, the FRC's audit quality review findings and relevant UK and international professional and regulatory requirements. The Committee shall satisfy itself that the quality of the audit is of a sufficiently high standard, supported by evidence, and be able to explain how it arrived at its conclusion;
- f) reviewing relevant FRC audit quality review findings and assessing the external auditor's qualifications, expertise and resources and the effectiveness of the audit process;
- g) monitoring the external auditor's compliance with relevant ethical and professional guidance on rotation of the audit partner;
- h) considering the risks associated with audit firms withdrawing from the market and, in the case of resignation of the external auditor, investigating any issues that may have led to the resignation and deciding whether any action should be taken; and
- i) putting the audit out to tender and rotating the external auditor and audit partner in accordance with applicable legal and regulatory requirements and having regard to the FRC's Audit Committees and the External Audit: Minimum Standard throughout the tender process.

Risk management and internal control

- 6.6 Oversee the Company's risk management and internal control framework and support the Board in discharging its responsibilities under Provisions 33 and 34 of the AIC Code (equivalent Principle O and Provisions 28 and 29 of the UK Code). In doing so, the Committee shall:
- a) review the design and operation of the Company's risk management and internal control framework, including the processes for identifying, assessing and monitoring principal and emerging risks, and consider the Company's Risk and Internal Control Report or equivalent risk register;
 - b) monitor on an ongoing basis the adequacy of the Company's risk management and internal control framework and, at least annually, review its effectiveness, covering all material financial, operational, reporting and compliance controls;
 - c) review and challenge management's identification of the controls that are material to the Company and consider whether the evidence and assurance obtained in relation to their design and operating effectiveness is sufficient, including any material assurance gaps;
 - d) review the risk management and internal control arrangements of the Company's Key Service Providers insofar as they are relevant to the Company, and the adequacy and timeliness of information and assurance received from them;
 - e) review any material control failure, significant failing or weakness, including the impact, root cause and proposed remediation, monitor the completion of remedial actions and ensure that material matters are escalated promptly to the Board; and
 - f) review the outcome of the Committee's annual assessment and the proposed disclosures required by Provision 34 of the AIC Code (equivalent Provision 29 of the UK Code), including the proposed declaration on the effectiveness of material controls and any material controls that did not operate effectively, together with the actions taken or proposed to address them, and recommend the relevant conclusions, declaration and disclosures to the Board. The Board retains responsibility for approving the declaration required by Provision 34 of the AIC Code (equivalent Provision 29 of the UK Code) and the related disclosures.

Internal audit, compliance and escalation

- 6.7 Review and assess the Manager's internal audit plan, internal audit reports and relevant communications from the Manager's internal audit, risk and compliance functions, consider whether the scope of assurance is appropriate having regard to the Company's principal risks

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and material controls, and review annually whether there is a need for the Company to establish its own internal audit function.

- 6.8 Review the Manager’s and, where relevant, other Key Service Providers’ procedures for compliance, detecting fraud, whistleblowing and the prevention of bribery, receiving reports as appropriate.
- 6.9 Review the adequacy of procedures for the timely escalation to the Committee and the Board of significant risk events, control deficiencies, regulatory breaches, fraud, cyber or information-security incidents and business continuity matters where these are relevant to the Company or its material controls.

Reporting and Board responsibilities

- 6.10 Report to the Board on the results of work carried out, identifying any matters in respect of which it considers action or improvement is needed and making recommendations as to the steps to be taken, and report to the Board where it is not satisfied with the Company’s financial reporting, risk management or internal control arrangements.
- 6.11 For the avoidance of doubt, the Committee is responsible, under authority delegated by the Board, for overseeing, monitoring and reviewing the effectiveness of the Company’s risk management and internal control framework, including the effectiveness of material controls, and for reporting its conclusions and recommendations to the Board. The Board retains ultimate responsibility for establishing and maintaining an effective risk management and internal control framework; determining the Company’s principal risks; and approving the declaration required by Provision 34 of the AIC Code (equivalent Provision 29 of the UK Code) and the related disclosures in the Annual Report.

7. Assessment

- 7.1 On an annual basis the Board and the Committee should review the Committee’s performance and constitution to ensure it is operating effectively and has the skills, experience, information and resources necessary to discharge both its audit and risk responsibilities.
- 7.2 On an annual basis the Committee should review its terms of reference and any changes should be recommended to the Board.

8. Remuneration

Additional remuneration should be considered for members of the Committee. The Committee Chair should be paid more than other members to reflect the additional time and responsibilities associated with the role.

9. Reporting and Communication with Shareholders

- 9.1 The Committee shall report to the Board and shareholders on how it has discharged its responsibilities in respect of external audit, financial reporting, risk management and internal control, how effective oversight has been achieved throughout the year, and any matters in respect of which it considers action or improvement is required, together with recommendations as to the steps to be taken.
- 9.2 The Committee shall prepare an annual report to shareholders, to be included in the Company’s Annual Report, setting out all matters required by the FRC’s Audit Committees and the External Audit: Minimum Standard, together with any other matters required by the AIC Code and the UK Code 2024, including an appropriate description of the Committee’s work in support of the Board’s risk management and internal control responsibilities.
- 9.3 The Committee shall consider the clarity of its reporting and be prepared to meet with investors.
- 9.4 These terms of reference should be available to shareholders on the Company’s pages of the Manager’s website.
- 9.5 The annual report and financial statements shall contain a description of the work of the Committee in discharging its responsibilities, including its work in relation to the Company’s risk management and internal control framework and, where applicable, the Board’s Provision 34 of the AIC Code (equivalent Provision 29 of the UK Code) assessment and declaration.
- 9.6 The Committee Chair should be present at the AGM to answer questions through the Company Chair on the annual report and financial statements and matters within the Committee’s remit.

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- 9.7 In the event that the Board disagrees with the Committee’s views on the selection, appointment, resignation or dismissal of the external auditor, the Committee shall provide statements explaining its recommendations to the Company and the reasons why the Board has taken a different view for inclusion in the Corporate Governance Report.

Definitions:

The Board of the Company (the “Board”)

The AIC Code of Corporate Governance 2024 (the “AIC Code”)

The UK Corporate Governance Code 2024 (the “UK Code”)

The Audit and Risk Committee of the Company (the “Committee”)

FIL Investments International (the “Company Secretary”)

FIL Investments International (the “Manager”)

The alternative investment fund manager appointed by the Company from time to time (the “AIFM”)

The AIFM, investment manager, Company Secretary, administrator, registrar, depositary/custodian and any other material outsourced service provider to the Company (together, the “Key Service Providers”)

Approved by the Board on 2 September 2026