

AUDIT COMMITTEE

The terms of reference of the Audit Committee of the Board were adopted at a Meeting of the Board of Directors on 21 January 1998 and amended on 13 January 1999, 9 July 2001, 19 November 2002, 19 November 2003, 23 February 2006 16 November 2006 and 12 November 2007.

1. Membership

- 1.1 Members of the Audit Committee shall be appointed by the Board. Only non-executive directors may be appointed to the Committee and a majority of members of the Audit Committee shall be independent non-executive directors. Membership shall comprise at least three independent non-executive directors, at least one of whom shall have relevant financial experience.
- 1.2 The quorum shall be two independent non-executive directors.
- 1.3 The Chairman of the Committee shall be appointed by the Board.
- 1.4 Directors who are not members of the Audit Committee may be invited to attend and speak at Committee Meetings. The Company's internal auditors and the Company's external auditors will be invited to attend and speak at Committee Meetings.

2. Meetings

- 2.1 The Audit Committee shall meet as often as may be necessary to discharge its duties and in any event at least four times a year.
- 2.2 In addition to regularly scheduled meetings the Chairman of the Committee may call a meeting at the request of any member of the Board or the Company's external auditors.
- 2.3 It is the responsibility of the Chairman of the Committee to decide what data he or she considers necessary for the purpose of any discussion, to obtain such data for the Committee and to see that it is circulated to the Committee
- 2.4 The Company Secretary shall be Secretary of the Committee
- 2.5 Minutes of Audit Committee meetings shall be circulated to all Board members.

3. Authority

- 3.1 The Audit Committee is authorised to pursue any activity within its terms of reference.
- 3.2 The Audit Committee is authorised to seek independent advice, obtain market data and commission surveys as may be required to assist in carrying out its duties. The Committee is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Audit Committee.

4. Duties

The duties of the Audit Committee are as follows.

- 4.1 The Audit Committee shall consider any matters relating to the financial affairs of the Company and its subsidiaries and to the Group's external audit that it determines to be desirable. In addition, the Committee shall examine any other matters referred to it by the Board.
- 4.2 The Audit Committee shall review the annual financial statements (including the significant financial judgements applied in the preparation thereof) and interim and preliminary announcements before their submission to the Board for approval.
- 4.3 The Audit Committee shall determine whether the accounting policies of the Group are appropriate for the Group and are in accordance with the law and relevant accounting standards.
- 4.4 The Audit Committee shall keep under review the scope, efficiency and results of the external audit, its cost effectiveness and the independence and objectivity of the auditors. The Audit Committee shall make recommendations to the Board regarding the remuneration of the external auditors, their appointment, dismissal or resignation.
- 4.5 The Audit Committee shall review and approve a Group policy on the provision of non-audit services by the external auditors. In doing so, the Committee shall take into account relevant ethical guidance. The Audit Committee shall report to the Board on any matter in respect of which it considers that action or improvement is needed and make recommendations as to the steps to be taken.

- 4.6 The Audit Committee shall review management procedures to monitor the effectiveness of the systems of accounting and internal control. In particular it shall review the results of work carried out by the internal audit function and shall regularly review the Group's key business risks . The role of the Audit Committee in assessing the effectiveness of internal controls and the management of the Group's key business risks shall be stated in the Company's Annual Report and Accounts.
- 4.7 The Audit Committee shall approve the appointment and removal of the Head of the Internal Audit Function.
- 4.8 The Audit Committee shall keep under review arrangements by which staff may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The Audit Committee's objective shall be to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.
- 4.9 The Audit Committee shall review any profit forecasts or previously unpublished financial data to be published in any public document or any other documents as requested by the Board.