

### A. Composition:

Albert Cheesebrough (Chairman), Simon Ashton. Mr Cheesebrough normally invites Graham Partridge to attend the Audit Committee Meeting.

The composition of the Audit Committee is in breach of the Combined Code Provisions (C.3.1) as Albert Cheesebrough is not an independent NED. The Board does, however, believe that he brings to the Committee knowledge and understanding of the requirements of such a role and an objective viewpoint and are, therefore, happy with the composition.

### B. Role:

The main role and responsibilities of the Audit Committee are to:

- Monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance.
- Review the Company's internal financial controls and internal control and risk management systems.
- Monitor and review the effectiveness of the Company's internal audit function.
- Make recommendations to the Main Board in relation to the appointment, re-appointment or removal of the external auditor and approve remuneration and terms of engagement of the external auditor.
- Review and monitor the external auditor's independence and the effectiveness of the audit process and;
- Develop and implement a policy on the engagement of the external auditor to supply non-audit services.
- Approve all non-audit services provided by the external auditors, in order to monitor and safeguard the external auditor's independence."

End.