

AUDIT COMMITTEE

Members: Sir David Clementi (Chairman)
Ms V Cox
Mr M Fitzpatrick
Mr A F J Gould
Lord Kerr
Mr P Tellier

Charter

Scope and Authority

The Company is required by the UK Listing Authority (UKLA), the New York Stock Exchange (NYSE), and the Australian Stock Exchange (ASX) to establish an Audit Committee. Each of the UKLA, the NYSE and the ASX also lay down rules and guidelines for the composition of the Committee and the work to be undertaken by it. These requirements, where not self evident, have been incorporated into this Charter.

The primary function of the Audit Committee is to assist the Boards of Directors in fulfilling their responsibilities by reviewing:

- The financial information that will be provided to shareholders and the public.
- The systems of internal controls that the Boards and management have established.
- The Group's auditing, accounting and financial reporting processes.

In carrying out its responsibilities the Committee has full authority to investigate all matters that fall within the terms of reference of this Charter. Accordingly, the Committee may:

- Obtain independent professional advice in the satisfaction of its duties at the cost of the Group.
- Have such direct access to the resources of the Group as it may reasonably require including the external and internal auditors.

Composition

The Audit Committee shall comprise three or more non-executive directors, all of whom shall be independent. The Chairman of the Audit Committee will be an independent director, who is not also the chairman of the Boards. The Boards will determine each director's independence having regard to the Independence Policy adopted by the Boards, which includes consideration of any past and present relationships with the Group which, in the opinion of the Boards, could influence the director's judgment.

All members of the Committee shall have a working knowledge of basic finance and accounting practices. At least one member of the Committee will have accounting or related financial management expertise, as determined by the Boards.

A quorum will comprise any two Committee members.

The Committee may invite members of the management team to attend the meetings and to provide information as necessary.

Meetings

The Committee shall meet not less than four times a year or more frequently as circumstances require. Audit Committee minutes will be confirmed at the following meeting of the Committee and tabled as soon as practicable at a meeting of the Boards.

The Company's senior financial management, external auditors and internal auditor shall be available to attend all meetings.

As part of its responsibility to foster open communication, the Committee should meet with management, the external auditors and the internal auditor, at least annually, to discuss any matters that are best dealt with privately.

Responsibilities

The Boards and the external auditors are accountable to shareholders. The Audit Committee is accountable to the Boards. The internal auditor is accountable to the Audit Committee and the Finance Director.

To fulfil its responsibilities the Committee shall:

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- Review and, if appropriate, update this Charter at least annually.

Financial Reporting and Internal Financial Controls

- Review with management and the external auditors the Group's financial statements, Form 20-F, stock exchange and media releases in respect of each half year and full year.
- Review with management and the external auditors the accounting policies and practices adopted by the company and their compliance with accounting standards, stock exchange listing rules and relevant legislation.
- Discuss with management and the external auditors management's choice of accounting principles and material judgments, including whether they are aggressive or conservative and whether they are common or minority practices.
- Recommend to the Boards that the annual and interim financial

statements and Form 20-F reviewed by the Committee (or the Chairman representing the Committee for this purpose) be included in the Group's annual report.

- Review the regular reports prepared by the internal auditor including the effectiveness of the Group's internal financial controls.

External Auditors

- Review and recommend to the Boards the external auditors to be proposed to shareholders, following a commercial tender if deemed necessary.
- Review with the external auditors the planned scope of their audit and subsequently their audit findings including any internal control recommendations.
- Periodically consult with the external auditors out of the presence of management about the quality of the Group's accounting principles, material judgments and any other matters that the Committee deems appropriate.
- Periodically review the performance of the external auditors and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements.
- Review and approve the fees and other compensation to be paid to the external auditors.
- Review and approve any non-audit work and related fees to be carried out by the external auditors.
- Ensure that the external auditors submit a written statement outlining all of its professional relationships with the Group including the provision of services that may affect their objectivity or independence. Review and discuss with the external auditors all significant relationships they have with the company to determine their independence.

Internal Auditor

- Review the qualifications, organisation, strategic focus and resourcing of internal audit.
- Review and approve the internal audit plans.

Review internal audit performance.

- Periodically consult privately with the internal auditor about any significant difficulties encountered including restrictions on scope of work, access to required information or any other matters that the Committee deems appropriate.

Risk Management

- Review and evaluate the internal processes for determining and managing key risk areas
- Ensure the Company has an effective risk management system and that macro risks are reported at least annually to the Board
- Require periodic reports from nominated senior managers:
 - confirming the operation of the risk management system including advice that accountable management have confirmed the proper operation of agreed risk mitigation strategies and controls, and
 - detailing material risks
- Address the effectiveness of the Company's internal control system with management and the internal and external auditors
- Evaluate the process the Company has in place for assessing and continuously improving internal controls, particularly those related to areas of material risk.

Other Matters

The Committee shall also perform any other activities consistent with this Charter that the Committee or Boards deem appropriate. This will include but not be limited to:

- Review of the Group's insurance cover.
- Review the Group's tax planning and compliance.
- Review the Group's whistleblowing procedures for financial reporting.