

Appendix 1

Policy for Approval of

Non-Audit Services to be provided by External Auditors

1. All audit and non-audit services to be provided by the external auditors are to be pre-approved by the Audit Committee or the Chairman of the Audit Committee. Where the Chairman of the Audit Committee pre-approves an assignment, this should be reported to the next meeting of the Audit Committee.
2. The external auditors are not permitted to supply services in the following areas:
 - 2.1.1 Tax services relating to:
 - (1) preparation of tax forms;
 - (2) payroll tax;
 - (3) customs duties;
 - (4) identification of public subsidies and tax incentives unless support from the external auditor in respect of such services is required by law;
 - (5) support regarding tax inspections by tax authorities unless support from the external auditor in respect of such inspections is required by law;
 - (6) calculation of direct and indirect tax and deferred tax;
 - (7) provision of tax advice;
 - 2.1.2 services that involve playing any part in the management or decision-making of the Company;
 - 2.1.3 bookkeeping and preparing accounting records and financial statements;
 - 2.1.4 payroll services;

- 2.1.5 designing and implementing internal control or risk management procedures related to the preparation and/or control of financial information or designing and implementing financial information technology systems;
- 2.1.6 valuation services, including valuations performed in connection with actuarial services or litigation support services;
- 2.1.7 legal services, with respect to:
 - (1) the provision of general counsel;
 - (2) negotiating on behalf of the Company; and
 - (3) acting in an advocacy role in the resolution of litigation;
- 2.1.8 services related to the Company's internal audit function;
- 2.1.9 services linked to the financing, capital structure and allocation, and investment strategy of the Company, except providing assurance services in relation to the financial statements, such as the issuing of comfort letters in connection with prospectuses issued by the Company;
- 2.1.10 promoting, dealing in, or underwriting shares in the Company; and
- 2.1.11 human resources services with respect to:
 - (1) management in a position to exert significant influence over the preparation of the accounting records or financial statements which are the subject of the audit where such services involve searching for or seeking out candidates for such services or undertaking reference checks for candidates of such positions;
 - (2) structuring the organisation design; and
 - (3) cost control.

3. The Audit Committee has, however, agreed that certain work can be given to the external auditors under a continuing authority, provided that the Audit Committee is informed on a timely basis of each service. This covers:

- 3.1.1 Statutory audit assignments and interim reviews;

- 3.1.2 Tax work (except in respect of the services described in section 2.1) provided such work has been approved in the first instance by the Audit Committee;
- 3.1.3 Work under the requirements of the UK Listing Authority or similar regulatory bodies;
- 3.1.4 Other pre-approved services, being:
 - 3.1.5 Providing financial reporting research tools;
 - 3.1.6 Providing training courses;
 - 3.1.7 Accounting advice in relation to new accounting developments, business developments and complex transactions; and
 - 3.1.8 Any other service where the fee does not exceed more than £50,000 subject to it being a permitted service in accordance with applicable FRC Ethical Standards.
- 4. The Audit Committee will receive a report at each meeting of all non-audit work which has been undertaken, and the value of such work.
- 5. If a permissible non-audit service is rendered before the appropriate pre-approval has been obtained due to an inadvertent oversight, this shall be promptly brought to the attention of the Audit Committee or the Chairman of the Audit Committee before the completion of the assignment.