

GETECH GROUP PLC

AUDIT COMMITTEE

TERMS OF REFERENCE

Membership

The Committee shall be appointed by the board.

The Committee shall initially consist of not less than two members (being, initially, two of the three independent non-executive directors in office). The members of the Committee shall be re-elected each year by the board and a member of the Committee can be removed at any time.

The first Chairman of the Committee shall be Raymond Wolfson.

Meetings and attendance

The Committee shall meet at least twice each year and at such other times as it sees fit. The external and/or internal auditors may request a meeting if they consider that one is necessary.

A meeting may also be requested by any member of the Committee who considers that one is necessary and by any member of the board if approval is given by the Chairman of the board.

The quorum shall be two members.

The Company Secretary and a representative of the external auditors shall normally attend meetings. Other directors shall not have the right to attend meetings but may be invited to attend all or part of any meeting as and when appropriate. However, at least once a year the Committee shall meet with the external auditors without executive directors being present.

The Company Secretary shall be the secretary of the Committee but shall not attend any meeting of the Committee at which the chairman has stipulated that no executive directors shall be present. At such a meeting, the chairman shall nominate another member of the Committee to act as secretary.

Authority

The Committee is authorised by the board to carry out any investigation within its terms of reference.

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 Committee.

The Committee is authorised by the board to obtain expert advice from the Company's external auditors, professional advisers, outside legal or other independent professional advice or otherwise, and to request the attendance of such employees or advisers as it sees fit.

Duties

The duties of the Committee shall be:

1. to consider the appointment of the external auditor, the audit fee, the terms of engagement and any questions of resignation or dismissal and, in particular, to consider on an annual basis the auditor's independence and objectivity, their qualifications, expertise and resources, their compliance with ethical and professional guidance and the effectiveness of the audit process;
2. to discuss with the external auditor before the audit commences the nature and scope of the audit, and to ensure co-ordination where more than one audit firm is involved;
3. to monitor the integrity of financial statements of the Company including the half-year and annual financial statements, any formal announcements, summary statements, significant financial returns to regulators and any financial information contained in other documents, such as announcements of a price sensitive nature focusing particularly on:
 - 3.1 any changes in accounting policies and practices;
 - 3.2 major judgmental areas;
 - 3.3 significant adjustments resulting from the audit;
 - 3.4 the going concern assumption;
 - 3.5 compliance with accounting standards;
 - 3.6 compliance with stock exchange and legal requirements;
 - 3.7 the clarity of disclosures;
 - 3.8 all material information presented with the financial statements, including the operating and financial review and the corporate governance statement (in so far as it relates to the audit and risk management);
 - 3.9 any matter which ought to be brought to the attention of the board;
4. to discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of management where necessary);

5. to review the external auditor's management letter and management's response;
6. to review the internal control structures and systems of the Company and its subsidiaries, to review the Company's statement on internal control systems prior to endorsement by the board and to discuss with the head of internal audit problems and reservations arising from the internal audit (at least once per year in the absence of management);
7. to review any report by the auditors;
8. to consider the major findings of internal investigations and management's response;
9. to consider the draft annual business plan for the next following financial year;
10. to review the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and to ensure that any such concerns are investigated as appropriate;
11. to approve, prior to endorsement by the board, any review of the operations and finances of the Company and its subsidiary undertakings to be published in the annual report;
12. to consider other topics, as defined by the board.

Reporting procedures

The secretary shall circulate the minutes of meetings of the Committee to all members of the Committee and, once agreed, to all members of the board.

The chairman of the Committee shall report formally to the board on its proceedings and the Committee shall make such recommendations to the board as it deems appropriate on any matter within its remit.

The Committee shall compile a report to shareholders on its activities to be included in the Company's annual report.

Annual General Meetings

The chairman of the Committee shall attend the Annual General Meeting prepared to respond to any questions from shareholders concerning the activities of the Committee.