Renew Holdings PLC

Audit Committee's terms of reference

1. CONSTITUTION

The Committee was constituted at a full meeting of the board of directors held on 29 January 2009 in accordance with the articles of association of the Company.

2. DUTIES AND TERMS OF REFERENCE

2.1 The Committee shall monitor the integrity of the financial statements of the Group, including its annual and half yearly reports, interim management statements, pre-close and preliminary results' announcements and any other formal announcement relating to its financial performance, reviewing all material or significant financial reporting issues and judgements which they contain. The Committee shall also review summary financial statements, significant financial returns to regulators and any financial information contained in certain other documents, such as announcements of a price sensitive nature.

2.2 The Committee shall review and challenge where necessary:

(a) the consistency of, and any changes to, accounting policies both on a year on year basis and across the Group;

(b) the methods used to account for significant or unusual transactions where different approaches are possible;

(c) whether the Group has followed appropriate accounting standards and made appropriate estimates and judgements;

(d) the clarity of disclosure in the company's financial reports and the context in which statements are made;

(e) all material information presented with the Group consolidated financial statements, such as the Chairman’s Statement and the Chief Executive’s review, the Financial Director’s Review and the Operating Review and any corporate governance statement (insofar as it relates to the audit and risk management);

(f) major judgmental areas;

(g) any adjustments resulting from the audit;

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(h) the going concern assumption;

(i) compliance with applicable regulatory and legal requirements; and

(j) compliance with best practice in the area of corporate governance.

2.3 The Committee shall:

(a) keep under review the effectiveness of the Group's internal controls and risk management systems; and

(b) review and approve the statements to be included in the annual report concerning internal controls and risk management.

2.4 The Committee shall review the Group's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action. The Committee shall review the company's procedures for detecting fraud.

2.5 The Committee shall:

(a) monitor and review the effectiveness of the Group's internal audit process in the context of the Group's overall risk management system;

(b) consider and approve the remit of the internal audit process and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate standing and is free from management or other restrictions. Such duties will apply both to the financial internal audit process and to the operational internal audit process;

(c) review and assess the annual internal audit plans;

(d) review promptly all internal audit reports;

(e) review and monitor management's responsiveness to the findings and recommendations of such reports; and

(f) at the discretion of the committee, meet with any member of staff who has carried out internal audit, without management being present, to discuss their remit and any issues arising from the internal audits carried out. In addition, any member of staff who has

carried out internal audit shall be given the right of direct access to the Chairman of the board of directors and to the Committee.

2.6 The Committee shall:

(a) consider and make recommendations to the board, to be put to shareholders for approval at the Annual General Meeting, in relation to the appointment, re-appointment and removal of the company's external auditor. The Committee shall oversee the selection process for new external auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;

(b) oversee the relationship with the external auditor including (but not limited to):

(i) approval of their remuneration, including reviewing fees for non-audit services and consideration as to whether the level of fees is appropriate to enable an adequate audit to be conducted;

(ii) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;

(iii) assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;

(iv) satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the company and its subsidiaries (other than in the ordinary course of business);

(v) agreeing with the board a policy on the employment of former employees of the company's auditor, then monitoring the implementation of this policy;

(vi) monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the company compared to the overall fee income of the firm, office and partner and other related requirements;

(vii) assessing annually their qualifications, expertise and resources and the effectiveness of the audit process which

shall include a discussion with the external auditor on their own internal quality control procedures; and

(viii) seeking to ensure co-ordination with the activities of the internal audit process.

2.7 Meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without management being present, to discuss their remit and any issues arising from the audit.

2.8 Review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement.

2.9 Review the findings of the audit with the external auditor. This shall include but not be limited to, the following:

(a) a discussion of any major issues which arose during the audit,

(b) any accounting and audit judgements, and

(c) levels of errors identified during the audit.

2.10 Review any representation letter(s) requested by the external auditor before they are signed by management.

2.11 Review the management letter and management's response to the auditor's findings and recommendations.

2.12 Develop and implement a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter.

2.13 The Committee Chairman shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities.

2.14 The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.

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

2.16 The Committee shall:

(a) have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;

(b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;

(c) give due consideration to applicable laws and regulations, the provisions of the Combined Code, the QCA Corporate Governance Guidelines for AIM companies, NAPF Corporate Governance Policy & Voting Guidelines for AIM Companies and the requirements of the London Stock Exchange's rules for AIM companies as appropriate;

(d) be responsible for co-ordination of the internal and external auditors; and

(e) at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

2.17 To consider such other matters as may be requested by the board of directors.

3. MEMBERSHIP

3.1 The members of the Committee shall be appointed by the board of directors. All of the members of the Committee shall be non-executive directors.

3.2 The Committee shall have at least two members and at least one member should have recent and relevant financial experience. The chairman of the board of directors may also serve on the Committee.

3.3 At the date of formation of the Committee, it was agreed that the members of the Committee will be John Bishop and Roy Harrison and the Committee shall be chaired by John Bishop. A quorum shall be any two members of the Committee. The members of the Committee can be varied at any time by a

majority resolution of the existing members of the Committee save that any additional appointment must still be a non-executive director.

4. VOTING ARRANGEMENTS

4.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.

4.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.

4.3 Save where he has a personal interest, the Chairman will have a casting vote.

5. ATTENDANCE AT MEETINGS

5.1 The Committee will meet at least three times a year. The Committee may meet at other times during the year as agreed between the members of the Committee **OR** as requested by the Chairman of the Committee.

5.2 Other directors and external advisers may be invited to attend all or part of any meeting as and when appropriate.

5.3 The company secretary (or his nominee) shall be the secretary of the Committee.

6. NOTICE OF MEETINGS

6.1 Meetings of the Committee shall be summoned by the company secretary at the request of any of its members.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member and any other person required to attend no later than 2 days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee (as appropriate) at the same time.

7. AUTHORITY

The Committee is authorised by the board of directors to examine any activity within its terms of reference and is authorised to have unrestricted access to the company's external auditors and to obtain, at the company's expense, professional advice on any matter within its terms of reference. The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.

8. REPORTING

Draft minutes of each meeting will be circulated to all members of the Committee. On finalisation and signature by the chairman, the minutes of each meeting will be submitted to the board of directors as a formal record of the decisions of the Committee on behalf of the board of directors.

9. GENERAL MATTERS

9.1 Finalised minutes of the meetings of the Committee will be circulated to the members of the board of directors as part of the board papers for each full meeting of the board of directors.

9.2 The chairman of the Committee should make himself available at each Annual General Meeting of the company to answer questions concerning the Committee's work during the preceding year.

9.3 The recommendations of the Committee minutes must be approved by the board of directors before they can be implemented.

9.4 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board of directors for approval.

Approved by the Board on 1 April 2009