

Corporate Governance

The Company is quoted on AIM and is therefore not required to comply with the provisions of the UK Corporate Governance Code (the 'Code') on corporate governance as published by the UK Listing Authority. Nevertheless, by continual review, the Company ensures that proper standards of corporate governance are in operation and the principles of best practice, as set out in the Code, are followed as far as is reasonably practicable and appropriate to the size and nature of the Company and the constitution of the Board.

Board of Directors

The Board of Dewhurst is responsible for the success of the Group. The Board's role is to establish the strategic objectives and policies; oversee all aspects of the finances; continuously review performance and controls; manage risk; decide on key business transactions and manage the interests of stakeholder groups.

The full Board meets at least six times per year and, together with the Audit and Remuneration Committees, deals with all important aspects of the Group's affairs. The Board receives timely information in a form and of a quality appropriate to enable it to discharge its duties.

The Board considers its non-executive directors to be independent in character and judgement; however none are technically independent as defined by the Code.

The structure of the Board is subject to continual review to ensure that it is appropriate for the Company.

There are processes in place enabling Directors to take independent advice at the Company's expense in the furtherance of their duties and to have access to the advice and services of the Company Secretary.

The Directors' varied backgrounds and experience give Dewhurst a good mix of the knowledge and expertise necessary to manage the business effectively. Directors' respective responsibilities are shown in the following table.

Director	Title	Board Committees	
		Audit	Remuneration
Richard Dewhurst	Chairman		X
Peter Tett	Non-executive Director	X	X

The UK City Code on Takeovers and Mergers

The Company is subject to the provisions of the UK City Code on Takeovers and Mergers.

Audit Committee

The Board has appointed an Audit Committee which ensures the good operation of financial practices throughout the Group; ensures that controls are in place to protect the assets and to ensure the integrity of financial information; reviews the financial statements; reviews all aspects of the audit programme and provision of any non-audit services by the auditors. The Audit Partner and the Group Finance Director are invited to attend the meetings of the Audit Committee which meets at least once a year.

Remuneration Committee

The Board has appointed a Remuneration Committee which normally meets at least once a year and is responsible for:

- Setting the salaries paid to the executive directors
- Considering other benefits granted to the executive directors
- Advising on the terms of the executive directors' service contracts

Nomination Committee

In light of the size of the Board, the Board do not consider it necessary to establish a Nomination Committee.

Communication with Shareholders

The Board recognises that Dewhurst communicates with its shareholders principally through its website and the Annual Report. Shareholders can also sign up to receive electronic communication directly from the Company by email.

The Chairman makes himself available to major shareholders on request and periodically attends meetings and gives presentations to shareholders. The Annual General Meeting of the Company, normally attended by all directors, gives the directors the opportunity to report to shareholders on current and proposed operations and enables the shareholders to express their views of the Group's business activities. Shareholders are invited to ask questions during the meeting and to meet with directors after the formal proceedings have ended.

Internal Controls

The Directors are responsible for the Group's system of internal controls, including financial, operational and compliance controls and risk management, and for reviewing its effectiveness. The Board has introduced procedures designed to meet the particular needs of the Group in managing the risks to which it is exposed. The Board is satisfied with the effectiveness of the system of internal controls but, by their very nature, these procedures can provide reasonable, not absolute, assurance against material misstatement or loss.

The Board has reviewed the need for an internal audit function and has decided that given the nature of the Group's business and assets and the overall size of the Group, the systems and procedures currently employed provide sufficient assurance that a sound system of internal controls are in place, which safeguards the shareholders' investment and the Group's assets. An internal audit function is therefore considered unnecessary.