

## Responsibilities and role of the Audit Committee

The principal responsibilities of the Committee are as follows:

1. to consider the appointment and assess the independence and effectiveness of the External Auditor;
2. to recommend the audit fee to the Board and to ensure that the provision of non-audit services does not impair the External Auditor's independence or objectivity;
3. to discuss with the External Auditor, before the audit commences, the nature and scope of the audit and to review the Auditor's quality control procedures and steps taken by the Auditor to respond to changes in regulatory and other requirements;
4. to oversee the process for selecting the External Auditor and make appropriate recommendations through the Board to the Shareholders to be considered at the Annual General Meeting;
5. to review the External Auditor's report on significant matters arising from the audit;
6. to monitor and review the effectiveness of Internal Audit, including a review of the Internal Audit programme and ensuring that the Internal Audit function is adequately resourced and has appropriate standing within the Company;
7. to consider management's response to any major External or Internal Audit recommendations;
8. to review the Company's procedures for handling allegations from whistleblowers; and
9. to consider serious incidents of fraud or other irregularities.

The full Terms of Reference of the Committee are available on our website at [http://ir.aggreko.com/agk\\_ir/cg/](http://ir.aggreko.com/agk_ir/cg/).

## Composition of the Committee

The names of the members of the Committee who served during the year ended 31 December 2008 are as follows:

Roy McGlone Chairman until his resignation on 1 September 2008

Robert MacLeod Chairman with effect from 1 September 2008

Nigel Northridge

David Hamill

Throughout the year the Committee has been composed entirely of Independent Non-executive Directors. The qualifications of the members of the Committee and their biographical details are set out on pages 46 and 47. The Board is satisfied that at least one member of the Committee has recent and relevant financial experience. The Company Secretary acts as Secretary to the Committee.

## Meetings

The number of meetings of the Committee held during 2008 and attendance are set out on page 48.

## Main activities of the Committee in the year to 31 December 2008

### Financial Statements

The Committee reviewed the annual results for the year ended 31 December 2007 and the interim results for the six months ended 30 June 2008 in order to monitor the integrity of the financial statements.

### External Auditors

During 2008, the Committee received the reports of the External Auditor in respect of the annual results for the year ended 31 December 2007 and the interim results for the six months ended 30 June 2008. The Committee considered the audit work done and any significant judgemental accounting and reporting issues. The proposed External Audit programme and timetable was reviewed.

The Committee also considered the level of non-audit fees paid to the External Auditor in the light of the Company's policy on non-audit fees and was satisfied as to the objectivity and independence of the External Auditor.

The Committee last supervised a competitive tender for the external audit in 2006, following which PricewaterhouseCoopers LLP were reappointed External Auditor. The Committee is again recommending to the Board that a proposal be put to shareholders at the 2009 Annual General Meeting for the reappointment of PricewaterhouseCoopers. There are no contractual restrictions on the Company's choice of External Auditor, and in making its recommendation the Committee took into account, amongst other matters, the objectivity and independence of PricewaterhouseCoopers, as noted above, their continuing effectiveness and cost.

## Audit Committee Report continued

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### Internal Audit Function

The Committee received regular reports from the Head of Internal Audit and reviewed progress against the agreed plan for the year. The Committee considered all significant internal control issues raised in these reports, reviewed the 2009 Internal Audit Plan and considered the adequacy of Internal Audit resources.

### Whistleblowing

The Committee reviewed the Company's arrangements for reporting potential improprieties in financial reporting or other matters, independent investigation and follow-up and was able to confirm that they remained adequate for addressing the Company's obligations under the Code.

### Robert MacLeod

Chairman of the Audit Committee

5 March 2009