

A. Composition:

Albert Cheesebrough (Chairman), Simon Ashton

The composition of the Nomination Committee is in breach of the Combined Code Provisions (A.4.1) as the majority of the members are not independent NED's. The Board believes that each of the members brings to the Committee knowledge and understanding of the requirements of such a role and an objective viewpoint and are, therefore, happy with the composition.

B. Role:

The Nomination Committee's primary purpose is to maintain the balance and effectiveness of the Board, identifying those skills needed and the individuals who might best perform them. The Committee monitors the Board structure, size and composition and it leads the process for nominating individuals for election to the Board. The terms of reference of the Committee, which are set by the Board, are available on request from the Company Secretary. In making appointments the Committee considers the capabilities required from potential candidates such as an individual's independence of mind and, where a non-executive appointment is being made, the time available to fulfil the role. The Committee normally uses professional, independent external search consultants when making Non-Executive Director appointments.

The Committee also formally reviews the contribution of Directors who are offering themselves for reappointment and makes recommendations to the Board as to whether such Directors should be put forward for reappointment by shareholders.

End.