

A. Composition:

Albert Cheesebrough (Chairman)

The composition of the Remuneration Committee is in breach of the Combined Code Provisions (B.2.1) as Albert Cheesebrough is not an independent NED. The Board does, however, believe that he 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 Remuneration Committee's primary purpose is to have a formal and transparent procedure for developing policy on executive remuneration. To determine within the framework or broad policy established by the Board the specific remuneration packages of the Chairman and Executive Directors of the Board and within the Group, to ensure that the company achieves its goals and to monitor the level and structure of remuneration for senior management. The objective of such policy shall be to ensure that the Executive Directors are provided with total remuneration packages:

- Designed to be competitive and to attract, retain and motivate executives of a high calibre;
- Be appropriate to the scale of their responsibility;
- Provide for a significant element of 'at risk' performance-related pay; and
- Ensure directors identify with the interests of shareholders; and
- Are fairly remunerated in the light of their own personal performance, as reported on, their contribution to the company's overall performance and, where appropriate, the performance of the divisions for whose performance they are individually directly responsible.
- The Company does not meet the Code Provision B.2.1 relating to Independent NEDs.

End.