

Report of the Nominations Committee

Members: Martin Broughton (Chairman), Maarten van den Bergh, Dr Martin Read and Baroness Kingsmill.

The Committee is chaired by the Chairman and all other members of the Committee are independent non-executive directors. All non-executive Board members are invited to attend its meetings and the Chief Executive attends as necessary. However, no Board member participates in any discussion of his or her own performance. The Committee has written terms of reference covering the authority delegated to it by the Board. The full terms of reference are available on the Company's website at bashares.com.

The Nominations Committee meets at least once a year, and additionally if required, to consider the balance of the Board's membership, to identify any additional skills or experience which might enhance the Board's performance, and to interview candidates and recommend appointments to or, where necessary, removals from, the Board. The Committee also reviews the performance of any director seeking re-election at the forthcoming annual general meeting. The Committee's remit also includes review of corporate governance.

In relation to the appointment of new Board members, the process used for the nomination of new candidates commences with the identification of the skills and experience needed to maintain or enhance the diversity of skills and experience on the Board. Whilst in most cases this will result in the use of an independent search firm, this is not always the case.

Under the Company's Articles of Association, all directors are required to offer themselves up for re-election every three years. Following a review of their respective performances as part of the Board evaluation exercise the Committee has put forward for re-election at the annual general meeting in July 2008 Willie Walsh, Maarten van den Bergh, Baroness Kingsmill, Ken Smart and Baroness Symons. Their biographical details are set out in the explanatory notes of the notice of annual general meeting and demonstrate the skills and experience which they bring to the benefit of the Company.