

COHORT PLC  
MATTERS RESERVED FOR THE BOARD

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**SCHEDULE**

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## COHORT PLC (the “Company”)

### SCHEDULE OF MATTERS RESERVED FOR DECISION BY THE BOARD

It was adopted by a resolution of the board of directors of the Company (the “**Board**”) at a meeting held on 27 February 2006:

In principle, decisions to be taken by the Board include:

- (a) major capital commitments of more than £50,000;
- (b) matters relating to business strategy;
- (c) responsibility for the overall management of the Company and its subsidiary (the “**Group**”);
- (d) employment matters at and above subsidiary board level;
- (e) matters relating to the Company’s directors and senior executive staff of group companies;
- (f) matters relating to the Company’s obligations as a listed company;
- (g) the overseeing of the Group's operations ensuring:
  - competent and prudent management;
  - sound planning;
  - an adequate system of internal control;
  - adequate accounting and other records;
  - compliance with statutory and regulatory obligations;
  - disclosure of directors' interests;
  - avoidance of wrongful or fraudulent trading; and
  - avoidance of actions or transactions where there may be doubt over propriety;
- (h) the undertaking of a formal and rigorous review annually of its own performance, that of its committees and individual directors;

- (i) review of performance in light of the Group's strategy, objectives, business plans and budgets ensuring that any necessary corrective action is taken;
- (j) the extension of the Group's activities into new business or geographic areas; and
- (k) any decision to cease to operate all or any material part of the Group's business.

In principle, decisions delegated to management include:

- (a) day to day operational matters;
- (b) capital commitments up to £50,000;
- (c) financial matters within budgetary limits previously approved by the Board;
- (d) individual employment matters below subsidiary board level.

The following specific matters are reserved for decision by the Board. For certain of these matters, it falls within the scope of one of the Committees of the Board to make a recommendation for consideration by the Board.

1. The acquisition or disposal of any subsidiary.
2. The acquisition or disposal by any member of the Group of assets for a value in excess of £50,000 or any transaction which falls within the classifications in Chapter 10 of, or is a transaction with a related party pursuant to Chapter 11 of, or requires a Circular to be issued to shareholders pursuant to the Listing Rules of the UK Listing Authority;
3. Major capital projects and major investments including the acquisition or disposal of interests of more than 5 per cent. in the voting shares of any company or the making of any take-over bid;
4. Bank borrowing above £50,000 and repayments in excess of £10,000;
5. Foreign currency transactions above £10,000;
6. Treasury policies (including foreign exchange exposures and the use of financial derivatives);
7. The annual approval of a revenue budget for the Group and a capital budget for the Group (the "**Capital Budget**") and any revisions to those budgets;

- 7.1 Within the level of the Capital Budget, the Chief Executive shall have authority to authorise capital expenditure on any one project up to a figure of £50,000 without further reference to the Board.
- 7.2 Outside the level of the Capital Budget, the Chief Executive shall (with the prior approval of the Chairman of the Board) have authority to authorise capital expenditure up to a figure of £50,000, but the expenditure shall be reported to the next following Board meeting. However, expenditure approval under this provision shall not exceed in aggregate more than 10% of the approved Capital Budget.
- 7.3 The Chief Executive, with the agreement of the Finance Director, shall have authority to delegate the capital spending authority, given to him by **paragraph 7.1**, to any senior executive who, in the opinion of the Chief Executive is an appropriate person, provided that the senior executive is authorised to spend up to a maximum of £25,000;
8. The approval of the Group's commercial strategy;
9. The Chief Executive and the Finance Director (as a Committee of the Board) shall have authority to invest funds of the Group in any one or more of the following ways:
  - 9.1 place on deposit any amount with the following:
    - 9.1.1 the Company's bank from time to time; or
    - 9.1.2 any reputable financial institution;
  - 9.2 purchase sterling certificates of deposit for any amount drawn on any of the above institutions;
  - 9.3 invest any amount of money in Government gilt-edged securities;
  - 9.4 the investment of funds in any other way will require the prior approval of the Board;
10. Approval from time to time of a schedule containing the authority for the signature of cheques and the limits on those authorities;
11. Prior approval of the insurances (including directors' and officers' liability insurance) for the Group and the indemnification of directors;
12. Risk management strategy and internal control arrangements, including;

- receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives;
  - undertaking an annual assessment of these processes; and
  - approving an appropriate statement for inclusion in the annual report;
13. Buying, selling, transacting, entering into or carrying on the business of dealers in financial futures, currencies, options, interest rate transactions and commodities of every kind save for the purchase of commodity futures in relation to commodities specifically required for the Company's own products and forward currency and/or spot and forward rate exchange contracts, but in either case only for the purpose of managing a currency or interest rate or other exposure or for the purpose of avoiding a loss;
  14. Prior approval of any major change in pensions policies, rules of the Company's pension scheme, pensions trustees or changes in the fund management arrangements;
  15. Appointment or removal of the Company Secretary;
  16. Major changes to the Group's corporate structure;
  17. Changes to the Group's management and control structure;
  18. Any changes to the Company's listing or its status as a plc;
  19. Changes to the structure, size and composition of the Board;
  20. Ensuring adequate succession planning for the Board and senior management;
  21. Terms of reference of chairman, vice-chairman, chief executive and other executive directors (where applicable);
  22. Terms of reference and membership of board committees;
  23. Receiving reports from board committees on their activities;
  24. Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the annual general meeting and otherwise as appropriate;
  25. Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the law and their service contract.;

26. Appointments to the boards of directors of subsidiaries;
27. Prior approval of any redundancy proposals relating to more than five (5) full-time employees;
28. Approval of the broad parameters of wage increases;
29. Drafts of the statements made by the Company and/or the Chairman as to the interim and final results of the Company;
30. Circulation with the Annual Accounts of the Chairman's Report, the Managing Director's Report and the Director's Report;
31. Preparation and approval of the interim report and Annual Report and Accounts;
32. Approval of any significant changes in accounting policies or practices;
33. Remuneration of the auditors and recommendations for removal or appointment of auditors;
34. Appointment or removal of the internal auditor, following the recommendation of the audit committee;
35. Approval of the dividend policy;
36. Approval of the interim dividend and recommendation to shareholders of the final dividend;
37. Final approval of major changes in employee share incentives and, with the approval of the Remuneration Committee, the grant of executive options and awards under any long- term incentive schemes;
38. The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval;
39. Determining the remuneration of the non executive directors, subject to the articles of association and shareholder approval as appropriate;
40. Determining the independence of directors;
41. Considering the balance of interests between shareholders, employees, customers and the community;
42. Review of the Company's overall corporate governance arrangements;

43. Receiving reports on the views of the Company's shareholders;
44. Approval of any relevant policies, including:
  - Code of conduct;
  - Share dealing code;
  - Health and safety policy;
  - Environmental policy;
  - Communications policy including procedures for the release of price sensitive information;
  - Corporate social responsibility policy; and
  - Charitable and political donations policy.
45. The making of any political and/or charitable donations;
46. Approval of the appointment of the Company's principal professional advisers;
47. Prosecution, defence or settlement of litigation involving sums in excess of £50,000 or being otherwise material to the interests of the Group;
48. Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting;
49. Approval of all circulars and listing particulars or prospectuses, (approval of routine documents such as circulars relating to scrip dividends or exercise of conversion rights may be delegated to a committee);
50. Approval of press releases and announcements concerning matters decided by the Board;
51. If a decision is required as a matter of urgency between Board Meetings, then any 2 directors (including the Chairman when available) may act as a committee of the Board, if necessary by telephone, to make the decision but any such decision shall be reported to the next following Board Meeting.