

**The Combined Code
Principles of Good Governance and Code of Best Practice**

("1998 Combined Code")

Throughout 2003 the company complied with the code provisions of the 1998 Combined Code except as follows:

- A.2.1 The Board should appoint one of the independent Non- Executive Directors to be the Senior Independent Director. Sir Roger Hurn was Senior Independent Director from 1st January 2003 until 5th June 2003. For the remainder of the year all Non-Executive Directors remained available to shareholders to raise concerns which could not be addressed through the Chairman, CEO or CFO. In December 2003, following the Nominations Committee review of the Board's structure and composition, the Board announced the appointment of Sir Ian Prosser as Senior Independent Director, with effect from 1st January 2004.

- B.1.6 In schemes of performance related remuneration, neither annual bonuses nor benefits in kind should be pensionable. Pension contributions are not solely determined on the basis of basic salary. The company's position is described in the Remuneration Report contained within the company's Annual Report.

- B.1.7 Notice or contract periods for service contracts to be one year or less. The company's position is described in the Remuneration Report contained within the company's Annual Report.