

Combined Code on Corporate Governance ("2003 Combined Code")

The company is required to comply with the 2003 Combined Code from 1st January 2004 and report on compliance in its 2004 Annual Report which, will be issued in 2005. Of the additional requirements within the 2003 Combined Code over and above those of the 1998 Combined Code the measures described below have been implemented:

- A.1.1 and A.6.1 The Annual Report contains a statement of how the Board operates and the decisions taken by it and those which are delegated to management, and the manner in which the performance of the Board, its committees and individual directors are evaluated.

- A.2.1 The Board has also recorded the division of responsibilities between the Chairman and the CEO.

- A.3.1 The company has determined the independence of its Non-Executive Directors and stated reasons for their independence notwithstanding the existence of relationships or circumstances that are likely to affect, or could appear to affect their independence.

- A.3.3 The Board appointed with effect from 1st January 2004 one of the independent Non-Executive Directors as a senior independent director.

- A.4.6, B.1.4 and C.3.3 The Annual Report contains the required statements on the work of the Nominations, Remuneration and Audit Committees.

- A.5.1 New directors received a full, formal and tailored customised induction on joining the Board.

- B.2.1, C.3.1 and A.4.1 The composition and positions held by the members of each of the Remuneration, Audit and Nominations Committees now comply with the 2003 Combined Code. Each of the Committees have also amended their terms of reference to comply with the requirements of the 2003 Combined Code which are available to shareholders on the company's website.

- C.3.4, C.3.5 and C.3.7 The Audit Committee has complied with the requirements for: reviewing the arrangements under which staff of the company raise, in confidence, concerns about improprieties in matters of financial reporting; the monitoring and reviewing of the effectiveness of internal audit activities; and the provision of non-audit services by the company's external auditors.