

## **Statement of differences from NYSE corporate governance practices**

Under Section 303(A) of the New York Stock Exchange (“NYSE”) Listed Company Manual, the Company must provide a brief description of any significant differences between its corporate governance practices, which are informed by U.K. law in the case of the Company, and those followed by U.S. companies under the NYSE listing standards. The description need not set forth all differences between U.K. law and U.S. law; rather, the focus is on the Company’s practices.

The Company believes the following to be the significant differences between its corporate governance practices and NYSE corporate governance practices generally applicable to U.S. companies.

### *Regulatory Approach*

Under NYSE listing rules, U.S. companies must comply with a broad range of NYSE corporate governance standards and must annually certify such compliance. The chief executive officer must annually certify that he or she is not aware of any violation by the company of NYSE corporate governance standards. The Company is required to submit annual and interim written affirmations of compliance with applicable NYSE corporate governance standards, similar to the affirmations required of NYSE-listed U.S. companies. In accordance with NYSE listing rules applicable to foreign private issuers, the Company’s Chief Executive is not required to provide the NYSE with this annual compliance certification. However, in accordance with rules applicable to both U.S. companies and foreign private issuers, the Chief Executive is required promptly to notify the NYSE in writing after any executive officer becomes aware of any material non-compliance with the NYSE corporate governance standards applicable to the Company.

The U.K. Financial Services Authority requires companies listed in the U.K. to disclose, in relation to Section 1 of the Combined Code of Corporate Governance (the “Combined Code”), how they have applied its principles and whether they have complied with its provisions throughout the prior accounting year. It is not mandatory for companies to follow the principles set forth in the Combined Code, and the Combined Code does not require companies to disclose the full range of corporate governance guidelines with which they comply. A company that has not complied with the Combined Code provisions, however, or that complied with only some of the Combined Code provisions or (in the case of provisions whose requirements are of a continuing nature) complied for only part of an accounting period covered by the report, must specify the Combined Code provisions with which it has not complied, and (where relevant) for what part of the reporting period such non-compliance continued, and give reasons for any non-compliance. As stated in the Company’s Corporate Governance Report in its Annual Report and Accounts for 2009, the Company has complied fully throughout the prior accounting period with the provisions in Section 1 of the Combined Code, apart from a period during the year when the majority of the members of the Nomination Committee were not independent non-executive directors.

### *Independence Criteria for Directors*

Under NYSE listing rules applicable to U.S. companies, independent directors must form the majority of the Board of Directors. The NYSE listing rules for U.S. companies also state that a director cannot qualify as independent unless the Board affirmatively determines that the director has no material relationship with the listed company, and the NYSE rules prescribe a list of specific factors and tests that U.S. companies must use for determining independence. The Combined Code requires that at least half the Board, excluding the Chairman, should comprise independent non-executive directors, as determined by the Board. Under the Combined Code, the Board of the Company determines whether a director is independent in character and judgment and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgment. The director should be independent of management and free from any business or other relationship that could materially interfere with the exercise of independent judgment. The Combined Code sets out its own criteria that may be relevant to the independence determination, but permits the Board to conclude affirmative independence notwithstanding the existence of relationships or circumstances which may appear relevant to its determination, so long as it shall state its reasons.

### *Non-Executive Director Meetings*

Pursuant to NYSE listing standards, the non-management directors of each listed company must meet at regularly scheduled executive sessions without management and, if that group includes directors who are not independent, listed companies should at least once a year schedule an executive session including only independent directors. Under the Combined Code, the Chairman and non-executive directors must meet separately to assess the executive directors. During 2009, the Company's Chairman and non-executive directors met in the absence of the executive directors and there was one meeting of the non-executive directors chaired by the Senior Independent Director at which the Chairman was not present in order to appraise the Chairman's performance.

### *Committees*

The Company has a number of Board committees which are similar in purpose and constitution to those required for U.S. companies under NYSE standards, including a Nomination Committee, a Remuneration Committee and an Audit Committee. The Company's Remuneration and Audit Committees consist entirely of independent non-executive directors.

Under NYSE standards, U.S. companies are required to have a nominating/corporate governance committee composed entirely of independent directors. In addition to identifying individuals qualified to become Board members, this committee must develop and recommend to the Board a set of corporate governance principles. The Company's Nomination Committee's terms of reference do not require the Committee to develop and recommend corporate governance principles for the Company. Furthermore, with the exception of a period during the year when the majority of its members were not independent, the Company's Nomination Committee currently

complies with the Combined Code, which requires a majority of members, but not all members, to be independent.

Other than as stated above, the Company considers that the terms of reference of its committees, which are available on this website, are generally responsive to the relevant NYSE rules, but may not address all aspects of these rules. As stated above, the Company is subject to the corporate governance principles of the Combined Code.

#### *Code of Business Conduct and Ethics*

NYSE listing standards require U.S. companies to adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers. While the Company does not strictly follow this NYSE standard applicable to U.S. companies, it is committed to ensuring that its business is conducted in all respects according to rigorous ethical, professional and legal standards. Thus, the Company has adopted a Business Ethics Code to which all employees are bound. All CEOs of the business units within the Company must provide annual assurance that the principles are adhered to within their business. Additionally, the Company has adopted a Code of Ethics for Senior Management which applies to its Chief Executive Officer, Chief Financial Officer, Deputy Chief Financial Officer and other senior financial and accounting officers, to comply with the Sarbanes-Oxley Act.

#### *Shareholder Approval of Equity-Compensation Plans*

Under the NYSE listing standards, shareholders must be given the opportunity to vote on all equity-compensation plans and “material revisions” to those plans. We comply with the U.K., which are similar to the NYSE standards, except that under the Combined Code, shareholder approval is necessary for certain equity-compensation plans and “significant changes” thereto, subject to certain exceptions. The Combined Code does not provide a detailed definition or explanation of what are considered to be “significant changes”, in contrast to the detailed definition of “material revisions” provided by the NYSE.