

APPENDIX I

SCHEDULE OF MATTERS RESERVED FOR THE BOARD

The following matters shall be reserved to the Board for determination and/or approval (save to the extent that the Board resolves that determination and/or approval of any such matter shall be delegated to a Committee of the Board).

1. Strategy and Management

- 1.1 Approval of the annual budget and any material changes to it.
- 1.2 Major change in the nature, scope or scale of the business of the Group.
- 1.3 Any decision to cease to operate all or a substantial part of the Group's business.
- 1.4 Any decision to enter into any strategically or commercially significant new business areas not forming part of the Group's current activities from time to time.
- 1.5 Any action which would require the approval of shareholders in general meeting.

2. Structure and capital

- 2.1 Changes relating to the Group's capital structure including reductions of capital, share issues (except under employee share plans), and share buy backs.
- 2.2 Major changes to the Group's corporate structure.
- 2.3 Any changes to the Company's listings or its status as a plc.

3. Financial reporting and controls

- 3.1 Approval of interim and final results.
- 3.2 Approval of the annual report and accounts.
- 3.3 Approval of any dividend policy.
- 3.5 Approval of any significant changes in accounting policies or practices.
- 3.6 Any change in the accounting reference date of any member of the Group.

4. Contracts

- 4.1 The entering into by the Group of a commitment or arrangement (or any series of related commitments or arrangements) which, whether budgeted or unbudgeted, involves or could reasonably involve the payment or receipt by the Group of amounts equal to or in excess of £100 million in aggregate value (whether in cash or otherwise, and, where applicable, over any term thereof).
- 4.2 The entering into by the Group of a commitment or arrangement (or any related series of commitments or arrangements) with a related party (as defined by the FSA Listing Rules) of the Company which, whether budgeted or unbudgeted, involves or could reasonably involve the payment or receipt by the Group of amounts equal to or in excess of £25 million in aggregate value (whether in

cash or otherwise, and, where applicable, over any term thereof).¹

- 4.3 The entering into by the Company of any credit facility relating to borrowing of greater than £100 million in aggregate or the creation of any mortgage, guarantee or other security interest of whatsoever nature in respect of all or a material part of the undertaking, property or assets of the Group.

5. Communication

- 5.1 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 5.2 Approval of all circulars and listing particulars of the Company.
- 5.3 Approval of press releases concerning matters decided by the Board.

6. Board membership and other appointments

- 6.1 Changes to the structure, size and composition of the Board, following, if applicable, recommendations from any committee to which the Board delegates consideration of such issues.
- 6.2 Appointments to, and removals from the Board, following recommendations by the Corporate Governance and Nominations Committee.
- 6.3 Appointment and removal of the Chairman of the Board and the Chief Executive.
- 6.4 Appointment and removal of the Senior Independent Director.
- 6.5 Membership and Chairmanship of Board Committees and changes thereto.
- 6.6 Appointment or removal of the Company Secretary.
- 6.7 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Audit Committee.

7. Remuneration

- 7.1 Determining the remuneration of the non-executive directors, subject to the Articles of Association and shareholder approval as appropriate.
- 7.2 The introduction of share incentive plans or major changes to existing plans, to be put to shareholders for approval, following the recommendation of the Remuneration Committee.

8. Delegation of Authority

Approval of, and changes to, terms of reference of Board Committees.

9. Corporate governance matters

- 9.1 Determining the independence of non-executive Directors.

¹ Any such commitments or arrangements which involve or could reasonably involve the payment or receipt by the Group of amounts equal to or in excess of £10 million shall require approval of the Audit Committee in accordance with its terms of reference.

9.2 Determining that at least one member of the Audit Committee has recent and relevant financial experience.

10. Other

10.1 The making of political donations other than incidental or indirect donations as a result of corporate hospitality or sponsorship of events, or other public affairs activity at party political conferences.

10.2 Approval of the overall levels of Directors' & Officers' liability insurance for the Group.

10.3 Major changes to the rules of the Group's pension scheme.

10.4 Amendments or modifications to this Schedule of reserved matters.