

Appendix 1

Schedule of matters reserved for the Main Board

The points listed below relate to matters on which the Main Board (the “**Board**”) has reserved powers. All such matters accordingly require the express approval of the Board except in so far as it may on some occasions resolve to delegate its powers. In circumstances where a matter reserved for consideration by the Board requires urgent attention it may be necessary to convene a Board meeting at very short notice. In such an event, all reasonable measures will be taken to ensure that the views of all Directors are taken into account.

1. Strategic management
 - 1.1 Responsibility for the overall management of the Group.
 - 1.2 Approval and responsibility for the overall commercial strategy of the Group including its long term objectives.
 - 1.3 Material changes to the Group’s overall management and control structure.
 - 1.4 Approval of the annual budgets and any material changes to them.
 - 1.5 Oversight of the Group’s day to day 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.
 - 1.6 Any significant changes to the Group’s overall strategic direction including materially extending the business into new areas of operation or new geographical locations. This includes entering into any material strategic alliance, joint venture, partnership or profit sharing arrangement.
 - 1.7 Any decision to cease to operate all or any material part of the Group’s business.
2. Financial structure and capital
 - 2.1 Changes to the Group’s capital structure including share issues (except under general employee share plans), share buy backs and the use of treasury shares.
 - 2.2 Any changes to the Company’s stock exchange listing or its status as a plc.
3. Financial reporting and controls
 - 3.1 Approval of the preliminary announcements relating to the interim and final results; the quarterly/seasonal trading statements; and any unscheduled financial statements as may be required.
 - 3.2 Approval of the content of the ‘Annual Report and Financial Statements’.
 - 3.3 Approval of the overall Group dividend policy.
 - 3.4 Declaration of the interim dividend and recommendation of the final dividend to shareholders.
 - 3.5 Approval of any material changes in accounting policies or practices.
 - 3.6 Approval of high level corporate treasury policies including foreign currency exposure and the use of financial derivatives.

- 3.7 Making recommendations to the shareholders for the appointment, re-appointment or removal of the external auditors, having considered proposals put forward by the Audit Committee.
4. Internal monitoring and controls
 - 4.1 Review of performance as measured against the Group's stated strategy, objectives, business plans and budgets and ensuring corrective action is undertaken as and when required.
 - 4.2 Oversight of the Group's risk management and internal control strategy including consideration of recommendations put forward by the Audit Committee.
5. Contracts and major transactions
 - 5.1 Major capital projects and transactions where the total capital expenditure exceeds £30m.
 - 5.2 Material disposals of fixed assets/investments where the proceeds exceed £30m.
 - 5.3 Significant contracts of the Group that are not in the ordinary course of business.
 - 5.4 Acquisition or disposal of an interest of more than 5% in the voting shares or securities of any company or the making of any take-over bid.
6. Communications
 - 6.1 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
 - 6.2 Approval of non-routine circulars and/ or any listing particulars and/or prospectus relating to the Group's securities.
 - 6.3 Approval of press releases concerning matters decided by the Board.
7. Board membership and other major appointments
 - 7.1 Changes to the overall structure, size and composition of the Board, following recommendations from the Nomination Committee.
 - 7.2 Ensuring adequate succession planning for the Board and other senior management in liaison with the Nomination Committee.
 - 7.3 Appointments to the Board following recommendations by the Nomination Committee.
 - 7.4 Terminations from the Board.
 - 7.5 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 AGM.
 - 7.6 Appointment of the Chairman of the Board.
 - 7.7 Appointment of the Senior Independent Director.
 - 7.8 Membership and chairmanship of the various Board committees and approval of their terms of reference.
 - 7.9 Appointment and removal of the Company Secretary.
 - 7.10 Appointments to the boards of the subsidiaries excluding the appointment of pension trustees.
 - 7.11 Appointments of employer nominees to Group pension schemes.

8. Remuneration

- 8.1 Consideration of the Remuneration Committee's recommendation in respect of the remuneration policy for Executive Directors, Executive Committee members, the Company Secretary and other senior management.
- 8.2 Determining the remuneration of the Non-Executive Directors, subject to the Articles of Association and shareholder approval as appropriate.
- 8.3 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.

9. Delegation of authority

- 9.1 The division of responsibilities between the Chairman, the Chief Executive and other Executive Directors.
- 9.2 Approval of the terms of reference of the Board committees.
- 9.3 Receiving reports from the Board committees on their activities.

10. Corporate governance matters

- 10.1 Review of the Group's overall corporate governance strategy and structure.
- 10.2 Undertaking formal and rigorous performance reviews of the Board, its committees and individual directors.
- 10.3 Determining the independence of the Non-Executive Directors.
- 10.4 Receiving reports on the views of the Company's shareholders.
- 10.5 Considering the balance of interests between shareholders, employees, customers and the community.
- 10.6 Authorisation of Director conflicts of interest as appropriate, and review of the conflicts register on an annual basis.

11. General corporate policies

- 11.1 Approval of the Company's principal policies, including:
 - Share dealing code
 - Health and safety policy
 - Environmental policy
 - Communications policy, including procedures for the release of price sensitive information
 - Corporate social responsibility policy
 - Charitable and political donations policy.

12. Other matters

- 12.1 Approval of contributions to any political party.
- 12.2 Approval of the appointment of the Group's principal professional advisors.
- 12.3 Appointment of corporate representatives.
- 12.4 Prosecution, defence or settlement of litigation which is material to the interests of the Group.
- 12.5 Oversight of Directors' and Officers' liability insurance.
- 12.6 General oversight of the Group's various pension schemes and any changes to the rules or trusteeships thereof.
- 12.7 Any changes to this schedule of matters reserved for Main Board decisions.