

Corporate governance statement

Combined Code

The board of Experian is responsible for the Group's system of corporate governance. The board is committed to good governance and to maintaining the highest standards of integrity in all the Group's activities. This statement describes how the Company has applied the main and supporting principles set out in Section 1 of the Combined Code on Corporate Governance published by the UK Financial Reporting Council in June 2006 (the 'Code').

Experian complied with the Code's provisions throughout the year from 1 April 2007 until 31 March 2008, except that the board committees did not for the whole period fully comply with the requirements in respect of the number of independent non-executive directors. These matters are explained later in this statement.

The way in which the principles set out in the Code are applied is described below.

The board

At the date of this annual report, the board consists of a Chairman, a Chief Executive Officer, a Chief Financial Officer and seven non-executive directors. The names and biographical details of the directors are shown on pages 38 and 39 of this annual report.

The non-executive directors are considered by the board to be independent in character and judgment with no relationships or circumstances which could affect, or appear to affect, their judgment. However, David Tyler was the group finance director of GUS plc and so did not fully meet the independence criteria on his appointment. The non-executive directors are appointed for three-year renewable terms. Sir Alan Rudge is the senior independent director.

The board plans to have six scheduled meetings each year and may meet more frequently as required. Six scheduled meetings and one ad-hoc meeting took place during the year ended 31 March 2008 (this includes one meeting that was held immediately after the year-end which was originally scheduled to take place during March 2008 but was rescheduled to early April 2008 due to the timing of Easter). The latter meeting took place in Washington DC, USA; otherwise the meetings were held in Dublin, Ireland. It is inevitable that there will be occasions when circumstances arise to prevent directors from attending meetings. In such circumstances, the usual practice is for the absent director to review the board papers and convey any views on specific issues to the Chairman. The time commitment expected of non-executive directors is not restricted to board and committee meetings. They are available for consultation on specific issues falling within their particular fields of expertise and additional time is spent visiting the Group's businesses and meeting informally with the Chairman and executive directors. The non-executive directors are experienced and influential individuals from a range of industries and countries. Together they bring an objective viewpoint and range of experience to the Company which ensures that no individual or group of individuals is able to dominate the board's decision-making.

There is a formal schedule of matters specifically reserved to the board for decision. The board establishes overall Group strategy, approves the Group's operating budget and monitors performance through the receipt of monthly reports and management accounts. The approval of significant acquisitions and divestments is a matter reserved for the board although it delegates to the boards of the Company's principal operating subsidiaries the responsibility for approving smaller acquisitions and disposals. The monetary limits of such delegations are formally documented and the exercise of such delegated authorities is reported to the board at each of its meetings. There are also authority levels covering capital expenditure which can be exercised by the boards of the Company's principal operating subsidiaries. Beyond these levels of authority, projects are referred to the board for approval. Other matters reserved for the board include:

- Approval of half-yearly financial reports and annual financial statements.
- Treasury policies.
- Internal controls and risk management.
- Succession planning.
- Corporate responsibility.

The division of responsibilities between the Chairman and the Chief Executive Officer is clearly established, set out in writing and agreed by the board. The Chief Executive Officer is responsible for day to day management and performance of the Group's businesses. The Chairman's role is to ensure good corporate governance which includes leading the board, ensuring its effectiveness in all aspects of its role and setting its agenda. For scheduled board meetings, the agenda includes reports from the Chief Executive Officer and the Chief Financial Officer. The January meeting focuses on strategy, the March meeting deals with the approval of operating budgets for the coming financial year, while the May and November meetings cover the approval of the annual financial statements and the half-yearly financial report respectively.

Members of senior management below board level are often invited to make presentations to the board and participate in certain aspects of the strategy and budget reviews.

The Chairman, with assistance from the Company Secretary, ensures that the board is supplied in a timely manner with information in a form and of a quality to enable it to discharge its duties. The practice is to have the agenda and supporting papers circulated to the board one week before each meeting. Additional information is also provided to directors including monthly management accounts irrespective of whether or not a board meeting is scheduled for that month. Arrangements are made for non-executive directors to visit the Group's businesses to see their operations at first hand and have the opportunity to discuss them with local management. During the year under review, the non-executive directors visited Group business locations in Dublin, London and Nottingham to update and develop their knowledge. Additionally, at board meetings, the directors receive specific business presentations from senior management.

All directors received an induction programme on joining the board which took into account their particular experience and background. The process included receipt of information on the Group, its activities and operating procedures, meetings with senior management and site visits and was continued during the year under review.

During the year under review, the Chairman and the non-executive directors met as a group without the executive directors present. At the conclusion of that meeting, the Chairman withdrew so that, under the leadership of the senior independent director, the non-executive directors had the opportunity to discuss any appropriate issues and appraise the Chairman's performance, taking account of the views expressed by the executive directors. The Chairman and the non-executive directors plan to hold these meetings at least annually.

There is in place a procedure under which the directors, in furtherance of their duties, are able to take independent professional advice, if necessary, at the Company's expense. The Company Secretary is responsible for ensuring that board procedures are followed and all directors have access to his advice and services. The Company Secretary is also responsible for advising and supporting the Chairman and the board on all corporate governance matters, a responsibility he discharges in part through his membership of the corporate governance committee. The appointment and removal of the Company Secretary is a matter reserved for the board as a whole.

A formal evaluation of the performance of the board and its committees was conducted during the year ended 31 March 2008. The evaluation process involved interviews by independent consultants with all members of the board, as well as those senior executives who regularly attend board and committee meetings. The interviews focused on the following seven areas: board process and functioning; induction and training; board performance; governance and independence of non-executive directors; committee functioning, performance and composition; and the Chairman's role and board composition, including succession planning. The independent consultants presented their findings to the board which concluded that appropriate actions had been identified to address areas that could be improved and that overall, the board and its committees continued to operate effectively. The Chairman conducted an individual evaluation of each director and the senior independent director conducted an individual evaluation of the Chairman. The board is satisfied that each director continues to contribute effectively and demonstrates commitment to the role.

In accordance with the Company's articles of association, all the directors retired at the first annual general meeting of the Company held in Dublin, Ireland in July 2007. All of the directors, being eligible and recommended by the board, were elected. In accordance with the Company's articles of association, each director is required to retire at the annual general meeting held in the third calendar year following the year in which he or she was elected or last re-elected by the Company. In order to ensure an orderly re-election process Fabiola Arredondo, Paul Brooks and Roger Davis will retire at the annual general meeting in July 2008 and, being eligible, will offer themselves for re-election.

The letters of appointment of the non-executive directors, including the Chairman, are available for inspection by any person at the Company's registered office during normal business hours and at the annual general meeting (for 15 minutes prior to the meeting and during the meeting).

Board committees

The board has appointed a number of committees including the following principal committees: nomination committee, remuneration committee and audit committee. The terms of reference of each of the principal board committees are available on request from the Company Secretary and can also be viewed on the Company's website at www.experiangroup.com. Further details of these committees, including their membership and remits, are set out below. In order to ensure that undue reliance is not placed on particular individuals and so that their understanding of the Group's businesses continues to develop, all of the non-executive directors currently continue to be members of each of the principal board committees.

Corporate governance statement continued

The attendance of directors at meetings of the board and the principal board committees of which they are members was as follows for the year ended 31 March 2008:

	Board* (Scheduled)	Board (Ad hoc)	Nomination committee*	Remuneration committee*	Audit committee*
John Peace	6/6	1/1	2/2	n/a	n/a
Don Robert	6/6	1/1	1/2	n/a	n/a
Paul Brooks	6/6	1/1	n/a	n/a	n/a
Fabiola Arredondo	5/6	1/1	2/2	5/5	4/4
Laurence Danon	6/6	1/1	1/2	5/5	3/4
Roger Davis	6/6	1/1	2/2	5/5	4/4
Sean FitzPatrick	5/6	1/1	2/2	5/5	4/4
Alan Jebson	6/6	1/1	2/2	4/5	4/4
Sir Alan Rudge	6/6	1/1	2/2	5/5	4/4
David Tyler	5/6	1/1	1/2	5/5	3/4

* References throughout this corporate governance statement (including the above table) to board and board committee meetings held during the year under review include meetings held immediately after the year-end, which were rescheduled from March 2008 to early April 2008 due to the timing of Easter.

Nomination committee

The nomination committee leads the process for board appointments and makes recommendations to the board. The members of the nomination committee are the Chairman, the Chief Executive Officer and the seven non-executive directors. The committee is chaired by John Peace except in respect of any matter concerning succession to the chairmanship of the Company when the senior independent director takes the chair. The Company Secretary is the secretary to the committee and the Group HR Director and Global Talent Director usually attend meetings.

The nomination committee has written terms of reference covering the authority delegated to it by the board. Its duties include reviewing regularly the structure, size and composition (including the skills, knowledge and experience required) of the board and making recommendations to the board with regard to any changes, giving full consideration to succession planning for directors and other senior executives taking into account the challenges and opportunities facing the Company and identifying and nominating, for the approval of the board, candidates to fill board vacancies as and when they arise.

The process used to appoint new directors of the Company begins with the nomination committee agreeing the scope of the role and engaging a specialist search company to identify potential directors. The committee reviews the short list submitted by the search company and interviews prospective candidates, who are, if thought suitable, recommended to the board, which makes the appointment. At the first annual general meeting following the appointment, the director appointed must retire in accordance with the articles of association and offer himself or herself for election, providing the shareholders with an opportunity to approve the appointment.

The committee met twice during the year under review (including one meeting that was held immediately after the year-end which was originally scheduled to take place during March 2008 but was rescheduled to early April 2008 due to the timing of Easter) and reviewed the membership of the principal board committees, the process for evaluating the performance of the board, committees and individual directors and reviewed the Group Global Talent Management process and succession plans. In addition, it reviewed the results of the Global Employee Survey and made recommendations to the board following the formal evaluation of the board. No changes to the membership of the board or its principal committees were recommended to the board as a result of the work of the committee during the year.

Remuneration committee

The remuneration committee comprises the seven non-executive directors including David Tyler who did not fully meet the independence criteria on his appointment. Roger Davis is the chairman of the committee. The Chairman and Chief Executive Officer are invited to attend committee meetings and both attended all of the committee meetings in the year under review. In the year under review, the committee met five times (including one meeting that was held immediately after the year-end which was originally scheduled to take place during March 2008 but was rescheduled to early April 2008 due to the timing of Easter). The Company Secretary is the secretary to the committee and the Group HR Director and Global Head of Reward usually attend. The application of corporate governance principles in relation to directors' remuneration is described in the report on directors' remuneration on pages 51 to 63.

Audit committee

The audit committee comprises the seven non-executive directors including David Tyler who did not fully meet the independence criteria on his appointment. Alan Jebson is the chairman of the committee. Following a review of principal board committee membership during the year, it remains the opinion of the nomination committee and the board that David Tyler's membership of the committee remains in the best interests of shareholders and provides significant recent and relevant financial experience and an in-depth knowledge of Experian's business, with him having been the group finance director of GUS plc from February 1997 until the demerger in October 2006. No questions or concerns regarding the independence of audit committee members were raised during the performance evaluation process performed during the year under review and the board considers David to be independent in character and judgement. The other members of the committee bring a wide range of international business experience from positions at the highest level worldwide (the directors' biographical details appear on pages 38 and 39). The Chairman, Chief Executive Officer and Chief Financial Officer are normally invited to attend committee meetings. The external auditors, the Executive Vice President, Risk Management and the Head of Global Internal Audit generally also attend committee meetings. In addition, the committee meets the external auditors and the Head of Global Internal Audit separately without management present. The Company Secretary is the secretary to the committee.

The main role and responsibilities of the committee are set out in written terms of reference which are reviewed annually. The committee's principal oversight responsibilities include financial reporting, internal controls and risk management systems, whistleblowing and fraud, internal audit and external audit (including auditor independence).

The committee will meet not less than three times a year. During the year under review, it met four times (including one meeting that was held immediately after the year-end which was originally scheduled to take place during March 2008 but was rescheduled to early April 2008 due to the timing of Easter).

The audit committee has a structured programme linked to the Group's financial calendar. During the year under review, the committee undertook the following activities:

- Reviewed the preliminary results announcement and the annual report for the year ended 31 March 2007 and considered reports from the external auditors identifying any significant financial reporting issues or judgemental issues requiring its attention;
- Monitored and reviewed the effectiveness of the Group's internal audit function and its terms of reference;
- Monitored and reviewed the external auditor's independence and objectivity and the effectiveness of the audit process covering all aspects of the audit service provided;
- Reviewed the Group treasury policy;
- Reviewed the annual financial statements of the Group pension scheme;
- Reviewed its own performance, constitution, training needs and terms of reference to ensure it is operating at maximum effectiveness;
- Reviewed the half-yearly financial report for the six months ended 30 September 2007 and considered reports from the external auditors identifying any significant financial reporting or judgmental issues requiring its attention;
- Reviewed and approved audit plans for the external and internal auditors;
- Considered risk management and assurance reports and internal audit reports on the results of internal audit reviews, significant findings, management action plans and timeliness of resolution;
- Reviewed reports on the Group's risk management process and major potential risks and controls;
- Reviewed, at each scheduled meeting, a report on any material litigation involving Group companies; and
- Reviewed arrangements by which Group employees may, in confidence, raise concerns about possible improprieties in financial reporting or other matters.

Corporate governance statement continued

One of the primary responsibilities of the audit committee is to make recommendations to the board in relation to the appointment, re-appointment and removal of the external auditors. A number of factors were taken into account by the committee in assessing whether to recommend the external auditors for re-appointment. These included:

- The quality of reports provided to the audit committee and the board and the quality of advice given;
- The level of understanding demonstrated of the Group's businesses and its sectors; and
- The objectivity of the external auditors' views on the controls around the Group and their ability to co-ordinate a global audit working to tight deadlines.

As part of this review, the committee reviewed a report on the external auditors' own quality control procedures.

The committee recognises that auditor independence is an essential part of the audit framework and the assurance it provides and the committee has established control processes to safeguard the objectivity and independence of the external auditors and to ensure that the independence of the audit work undertaken by the external auditors is not compromised.

The committee has established a policy covering the type of non-audit work that can be assigned to the external auditors. The auditors may only carry out such services provided that such advice does not conflict with their statutory responsibilities and ethical guidance. These services are:

- Further assurance services – where the external auditors' deep knowledge of the Group's affairs means that they may be best placed to carry out such work. This may include, but is not restricted to, shareholder and other circulars, regulatory reports and work in connection with acquisitions and divestments.
- Taxation services – where the external auditors' knowledge of the Group's affairs may provide significant advantages which other parties would not have. Where this is not the case, the work is put out to tender.
- General – in other circumstances, the external auditors may provide services, provided that proposed assignments are put out to tender and decisions to award work are taken on the basis of demonstrable competence and cost effectiveness. However, certain areas of work are specifically prohibited including work related to accounting records and financial statements that will ultimately be subject to external audit; management of, or significant involvement in, internal audit services; any work that could compromise the independence of the external auditors; and any other work that is prohibited by UK ethical guidance.

The audit committee chairman's pre-approval is required before the Group uses non-audit services that exceed financial limits set out in the policy.

The committee receives half-yearly reports providing details of assignments and related fees carried out by the external auditors in addition to their normal work. Fees in respect of such assignments carried out in the year under review are set out in note 7 to the financial statements on page 90.

Corporate governance committee

In addition to the principal board committees, the board has established a number of other committees including a corporate governance committee with written terms of reference to assist in its monitoring of corporate governance issues. The committee's responsibilities include keeping under review all legislative, regulatory and corporate governance developments that might affect the Company's operations and making recommendations to the board in relation to them. The members of the corporate governance committee are the Chairman, the Chief Executive Officer, the senior independent director and the Company Secretary. The committee met during the year and made recommendations to the board on a number of matters resulting from the changing regulatory and legislative environment.

Accountability and audit

The board acknowledges that it is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide reasonable, but not absolute, assurance against material misstatement or loss. The board reviews annually the effectiveness of the key procedures which have been established to provide internal control.

The board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group, including those risks relating to social, environmental and ethical matters. This process was in place throughout the year under review and up to the date of approval of the annual report and meets the requirements of the Code. For certain joint arrangements, the board places reliance upon the systems of internal control operating within the partners' infrastructure and the obligations upon partners' boards relating to the effectiveness of their own systems. In the board's view, the information it received was sufficient to enable it to review the effectiveness of the Group's system of internal control in accordance with the 'Internal Control Revised Guidance for Directors' contained in the Code. The audit committee has kept under review the effectiveness of this system of internal control and has reported regularly to the board.

The key procedures, which operated throughout the year, were as follows:

Risk assessment:

- The Group set out its objectives clearly as part of its planning process and organisation design. These objectives were then incorporated as part of the planning cycle and supported by the use of both financial and non-financial key performance indicators.
- Risks were methodically anticipated, identified, assessed and appropriately mitigated as part of an enterprise-wide risk management process operating throughout the Group on an ongoing basis and headed by an Executive Risk Management Committee.
- Senior management made presentations on risk to the audit committee, which reported regularly to the board on the risks facing the Group's business.
- The audit committee has delegated responsibility from the board for reviewing the effectiveness of the Group's internal controls and received its annual report on the controls over these risks. This included risks arising from social, environmental and ethical matters.

Control environment and control activities:

- The Group has established procedures for delegated authority which ensure that decisions that are significant, either because of their value or the inherent degree of risk, are taken at an appropriate level.
- The Group has implemented appropriate strategies to deal with each significant risk that has been identified. These strategies include internal controls, insurance and specialised treasury instruments.
- The Group sets out principles, policies and standards to be adhered to throughout its business. These include risk identification, management and reporting standards, ethical principles and practice, accounting policies, treasury policy, information security policy and policy on fraud and whistleblowing.

Information and communication:

- The Group has a comprehensive system of budgetary control, including monthly performance reviews for each major business. These reviews are at a detailed level within each region and global business line and at a high level for the board.
- On a monthly basis, the achievement of business objectives, both financial and non-financial, was assessed using a range of performance indicators. These indicators were regularly reviewed to ensure that they remain relevant and reliable.
- The Group had whistleblowing procedures in place for employees to report suspected improprieties.

Monitoring:

- A range of procedures were used to monitor the effective application of internal control in the Group, including management assurance, through the ongoing risk management process, and independent assurance, through internal audit reviews and reviews by specialist third parties.
- The internal audit department's responsibilities include reporting to the audit committee on the effectiveness of internal control systems, focusing on those areas considered to be of greatest risk to the Group.
- Follow-up processes were used to ensure there was an appropriate response to changes and developments in risks and the control environment.

Corporate governance statement continued

Relations with shareholders

The Company gives high priority to communicating with its shareholders and does this through its annual and half-yearly reports, at the annual general meeting and through the processes described below.

Although most shareholder contact is with the Chief Executive Officer and the Chief Financial Officer, supported by management specialising in investor relations, it is the responsibility of the board as a whole to ensure that a satisfactory dialogue with shareholders takes place.

The Chairman's statement on page 2 and the business review on pages 6 to 37 include a detailed review of the business and future developments in relation to the business. A full annual report is sent to all shareholders who so elect. For those shareholders who do not elect to receive a full annual report, notification is sent of the availability of the annual report on the Company's website at www.experiangroup.com. The Company's website also contains up to date information on Group activities, published financial results, information on dividends and a financial calendar.

At each of its scheduled board meetings, the board reviews a report of important or relevant issues raised by shareholders during the course of meetings and discussions with them. Additionally, the board (and in particular, the non-executive directors) obtains an independent insight into the views of major shareholders through research commissioned with a third party adviser across a balanced sample of Experian's shareholders. The latter typically control some 20 to 30% of the Company's issued share capital. The findings of the research are presented to the board by the third party adviser.

There is a direct line of communication to the Chairman available to shareholders, particularly if there are issues of concern, whether about performance, strategy or governance. Sir Alan Rudge, the senior independent director, is also available should shareholders have concerns which contact through the normal channels of the Chairman, the Chief Executive Officer and Chief Financial Officer fails to resolve or for which such contact is inappropriate. Shareholders are also offered the opportunity to meet the Company's non-executive directors.

Shareholders who do not support a particular annual general meeting resolution do not always seek engagement with companies to explain their actions or request further information. Where appropriate, the Company is keen to understand the reasons for any lack of support and to have a dialogue with shareholders on these issues. Its policy, therefore, insofar as is practicable, is to seek engagement with shareholders on such issues.

All directors, including the chairmen of the audit, remuneration and nomination committees, attend the annual general meeting and are available to answer shareholders' questions. Shareholders have the opportunity to send in questions prior to the annual general meeting and Experian responds to those shareholders who do.

Voting at the annual general meeting takes place by way of poll. The results of voting at the annual general meeting are announced and details of the votes are also added to the Company's website, www.experiangroup.com, as soon as possible after the meeting.