

Susannah Haan
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20 April 2010

Dear Ms Haan

CONSULTATION ON A STEWARDSHIP CODE FOR INSTITUTIONAL INVESTORS

We welcome the opportunity to comment on the proposed Stewardship Code for Institutional Investors.

As regards the principles set out in the FRC's consultation document of January 2010, we have the following comments as a listed company.

Section 1 – Introduction/Policy

Principally, we support the introduction of a code which sets the standards of stewardship to which institutional investors aspire and provides a framework for improved communications and greater engagement between institutional investors and the companies in which they invest. We have generally good relationships with our key investors and representative bodies but the Code will assist us in developing further effective engagement with them, particularly on remuneration and governance issues.

We support acceptance of the Code in its current form, but subject to our comments below.

Section 3 – Coverage of the Code

We agree that voting service agencies and representative bodies which provide voting advice, e.g. ABI, NAPF, RREV and PIRC, should all be encouraged to 'commit to the spirit' of the Code if it is to be effective. We suggest that they should be subject to the Code on the same basis and asked to disclose this, for example, on their website.

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Section 4 – Content of the Code

Principle 1

We agree that institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities and this should be available on their websites. It would be helpful if shareholders could also bring this to the attention of companies in their communications with them

Principle 3

Although we agree that investee companies should be monitored to determine when it is necessary to enter into an active dialogue with their boards, this provision should not be overly prescriptive.

Principle 4

Clear guidelines on when and how investors will escalate their activities would be helpful but this should not be prescriptive but we consider that this should be included in the policy to be formulated and disclosed under Principle 1, so Principle 1 may be sufficient in this regard. We certainly would not wish to see a prescriptive approach here. Within a framework of active engagement, discussion of difficult issues should be straightforward with, for example, the senior independent director on a confidential basis. We would not support public statements of any kind and the submission of shareholder resolutions except in extreme circumstances. Even serious concerns should be capable of resolution in dialogue between the shareholder and the company.

Principle 6

We support the disclosure of a clear policy by institutional investors on voting and disclosure of voting activity to the company concerned. In particular, we would like investors to advise us before an AGM or EGM if they are intending to vote against or abstain from voting on a particular resolution.

We do not have strong views on the public disclosure by investors of their voting at general meetings. Companies are required to disclose the results of the proxy voting on their websites and we believe that this provides a good summary of the outcome of any general meeting.

We support the 'comply or explain' approach to compliance with the Code. We also support regular reviews of the Code similar to the process for the Combined Code.

Yours sincerely

A handwritten signature in black ink that reads "Andrew Parker". The signature is written in a cursive style with a large, sweeping flourish at the end.

ANDREW PARKER