

Chris Hodge  
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Our ref tc/815

29 February 2008

Dear Chris

**2007 Review of the Combined Code: Consultation on proposed changes to the Code**

I wrote to you earlier in the year to let you know that I had posed the proposed changes as questions in the Audit Committee Institute's annual audit committee survey. I can now share the results with you and I think you will agree they make interesting reading, albeit very inconclusive as regards membership of the audit committee!

***Removal of recommendation that no individual chairs more than one FTSE 100 company***

We asked ...

"Do you think it is generally appropriate for individuals to chair more than one FTSE 100 company?"

42 (35%) audit committee members responded **Yes**

79 (65%) audit committee members responded **No**.

***Removal of recommendation restricting company chairman from sitting on the audit committee (for smaller companies only)***

We asked ...

"Do you think it is appropriate for the chairman of the board to be a formal member of the audit committee?"

34 (28%) audit committee members responded **Yes**

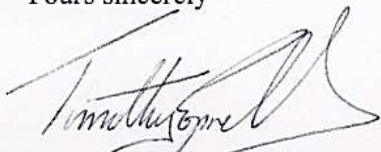
25 (20%) responded **Yes, but only for companies outside the FTSE 350**

64 (52%) responded **No**

I had hoped there would be a consistent view as to the benefits, or otherwise, of the chairman of the board being a member of the audit committee. Unfortunately that is not the case – respondents appear to be equally split with 48% in support the current proposal and 52% against.

Please let me know whether I, or the Audit Committee Institute, can be of assistance in any other way.

Yours sincerely

A handwritten signature in black ink, appearing to read "Timothy Copnell", written over a horizontal line.

Timothy Copnell  
Director

*Enclosures:*