



Chris Hodge  
Financial Reporting Council  
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25 February 2008

Dear Chris

**FRC Consultation on the Combined Code**

I am writing in response to the consultation on the FRC Review of the Combined Code.

We have reviewed the proposals and fully support the removal of the restriction from an individual chairing more than one FTSE100 company. This is subject however to the individual being able to satisfy the respective nominating committees that he or she has sufficient time to fulfil both functions.

So far as the proposed change to provision C.3.1 is concerned, whilst this does not impact BT, we see no reason why the chairman of a smaller listed company (outside the FTSE350) should not be appointed as a member of, but not chair, the audit committee provided he or she was considered independent on appointment to the Board. We also agree that where the chairman becomes a member of the audit committee this should be in addition to the minimum two independent non-executive directors.

Yours sincerely

LARRY STONE

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