



London
STOCK EXCHANGE

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Dear Chris,

2007 REVIEW OF THE COMBINED CODE: CONSULTATION ON PROPOSED CHANGES TO THE CODE

Thank you for providing the opportunity to comment on the proposals to amend the Combined Code reflecting responses to the 2007 consultation you undertook.

The review found that the Combined Code continues to have a broadly beneficial impact and is seen as having contributed to higher overall standards of governance among Main Market companies and to more professional boards. We support that view and would add that the Combined Code forms a key part of the principles-based, comply or explain approach to corporate governance adopted in the UK, one that can only contribute to a lower cost of capital for companies.

As such, we welcome the FRC's intention to focus on improving the practical application of the Code rather than making wholesale changes to it. We therefore support the FRC's proposals to amend the Code to allow an individual to chair more than one FTSE 100 company board and also to allow a Chairman to sit on the audit committee.

We also agree in principle with updating the Preamble to the Code to further help participants understand the basis for viewing and implementing the guidance, although without further detail on those changes we can not be more specific in our comments at this stage. Finally, we agree with the proposal to update Schedule C to include a comparison of the FSA's Disclosure and Transparency Rules with guidance in the Code where there is overlap.

Yours sincerely

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