

Ref: TJP/CMG

Sir John Parker FREng
Chairman

20th February 2008

D: +44 (0) 20 7004 3010
F: +44 (0) 20 7004 3012
M: +44 (0) 7831 496201
john.parker@ngrid.com

Mr Chris Hodge
Financial Reporting Council
Fifth Floor
Aldwych House
79 – 91 Aldwych
London
WC2B 4HN

Dear Chris,

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

Further to our comments on the Review of the Combined Code by the FRC in 2007, we welcome the approach indicated by the FRC to focus its efforts on improving the practical application of the Code rather than a major overhaul of the content of the Code.

We note from the published responses to the consultation that Provision A.4.3., the restriction of a Chairman of a FTSE100 from chairing another FTSE100 company, was considered by several respondents as being too restrictive, since the provision is prescriptive in nature compared to the principles based approach of the Code. We note further that the Code requires the devotion of sufficient time to the role and for the Chairman to be available in times of crises and that these requirements will remain. We consider that these measures are sufficient and no further safeguards are required in a revised provision A.4.3.

We therefore agree with the proposed removal of the restriction in provision A.4.3 on an individual chairing more than one FTSE100 company.

As a FTSE100 company, National Grid is not in a position to comment on the proposed amendment for companies outside the FTSE350 to allow the company chairman to be a member of, but not chair, the audit committee provided he or she was considered independent on appointment.

We believe that the updating of Schedule C so that it lists all corporate governance disclosure requirements would assist companies with complying with Rules provided by the FSA in relation to the 4th and 8th Company Law Directives.

Yours sincerely,
