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Mr Chris Hodge
Corporate Governance Unit
Financial Reporting Council
Fifth Floor
Aldwych House
71-91 Aldwych
London WC2B 4HN

Dear Mr Hodge,

Consultation on the Revised UK Corporate Governance Code – December 2009

Bunzl appreciates the opportunity to comment on the Financial Reporting Council's consultation on the proposed changes to the Combined Code on Corporate Governance which is to be renamed the UK Corporate Governance Code (the 'Code').

We broadly welcome the proposed changes to the Code and are pleased to note that the Code will continue to be principles based and that the flexibility afforded by the 'comply or explain' approach will be retained. However, there two specific proposed changes to the Code which we do not support.

The frequency of director re-election

We support the need for Boards to be fully accountable to shareholders for the management, strategy and operation of the Company, but do not believe that the proposal for either the Chairman or all directors to be re-elected annually is either necessary or desirable.

In our view, the existing requirement whereby all directors must stand for re-election every three years, combined with the fact that shareholders already have the opportunity to demonstrate annually their satisfaction with the governance and commercial performance of the company, provide shareholders with adequate protection and opportunity to take appropriate action.

We are concerned that either of the proposals for annual re-elections could create instability, encourage short-termism and place in jeopardy the continuity of the Board, none of which would be in the best interests of the shareholders. We also believe that there could be circumstances in which the requirement for annual re-elections could be misused by minority groups or activists, particularly if the whole Board were subject to annual re-election.


If the Financial Reporting Council eventually concludes that some form of annual re-election should be implemented, we believe that the annual re-election of the Chairman would be less damaging than for the Board as a whole to be subject to such a short-termist and potentially disruptive measure.

Board evaluation

We believe that a rigorous evaluation process is an important feature of good corporate governance practice, but do not agree that external facilitation should be mandated. Boards should be able to retain the ability to choose whether, and if so how often, such external facilitation is appropriate for them, based upon their own specific circumstances and taking into account the views of their shareholders.

We therefore do not support the proposal that the evaluation of the Board should be externally facilitated at least every three years. An external facilitator will not have sufficient familiarity with the business model employed by the Company nor have adequate knowledge of the key issues facing the Company and its Board. In addition, an external facilitation once every three years will inevitably lack the continuity and consistency of approach which would result from annual evaluations. An external facilitation will also have significant cost implications for many companies and will, on the face of it, provide little, if any, added value to a process which is already functioning well.

Yours sincerely,

A handwritten signature in black ink that reads "Philip Rogerson". The signature is written in a cursive style with a large, sweeping initial "P".

Philip Rogerson
Chairman