



**CHARTER**

4 March 2010

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Dear Mr Hodge

**Response to the consultation on the revised UK Corporate Governance Code**

I write on behalf of the Board of Charter International plc to thank you for the opportunity to respond to the amendments proposed to the UK Corporate Governance Code ("the Code").

The Board welcomed the 2009 review of the Code and has followed the ongoing consultation process since the review began. The Board wishes to specifically comment on the following areas of the final consultation:

**1. "B.6.2. Evaluation of the Board should be externally facilitated at least every three years."**

In accordance with existing principle A.6, the Board undertakes an annual formal performance evaluation of its own performance and that of its committees and individual directors. The Board values this process as it provides a forum for individual directors to raise any areas of concern regarding the performance of their fellow directors and/or regarding the functionality of the Board as a whole. The Board does not feel that external facilitation will significantly improve this process; rather it is more likely that it would increase the bureaucracy and financial costs associated with the process, which would be burdensome on both the Company and its shareholders.

**2. "B.7.1. All the directors should be subject to annual election by shareholders. OR The Chairman should be subject to annual election by shareholders."**

The Board considers the current Code provision A.7.1 to be sufficient in ensuring its accountability to investors and ultimately the Board would prefer that this provision remained unchanged. However, in response to the invitation to comment on the proposed amendment to the provision relating to the re-election of directors, the Board would rather that only the Chairman be subject to annual re-election. The Board acknowledges that, consequently, the existing provision that Non-Executive Directors who have served for a period greater than nine years be subject to annual re-election, will remain in place and it remains supportive of this provision.

I hope the above comments are useful but if you wish to discuss any points in further detail please do not hesitate to contact me.

Yours sincerely



Michael Hampson  
Company Secretary and General Counsel