

4 March 2010

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

Dear Chris

Consultation on the revised UK Corporate Governance Code

Thank you for the opportunity to comment on the proposed revisions to the Code. We hope you find our views helpful.

Overall, we welcome the fact that the proposed changes to the Code are mainly ones of tone and emphasis, with the aim of encouraging a greater focus on behaviours at Board level (and recognising that the quality of corporate governance rests primarily on behaviours rather than process).

We are supportive of the proposed changes in general but would ask you to note our comments on the following specific points.

Board rotation

We do not agree with either the proposal for the Chairman to seek re-election every year or the proposal for the whole Board to seek re-election every year. This is primarily because we feel that shareholders already have both sufficient opportunity to make their views known and sufficient power to remove the Chairman and other directors (provided that the shareholders in question represent the required percentage of votes). In addition, whilst arguably the likelihood in normal circumstances is small, the added threat of annual removal may prove disruptive to Board succession planning and to maintaining the desired balance of skills and experience on the Board.

Website disclosures

We strongly support the proposal to allow disclosure of corporate governance information on company websites instead of in the Corporate Governance Report (CGR) in the Annual Report. We believe that this will make the CGR less cluttered and more user friendly.

Yours sincerely



John Nicholls
Deputy Secretary