

From: Al Loehnis [al.loehnis@investis.com]

Sent: 02 December 2009 18:20

To: Chris Hodge

Subject: Response to consultation on proposed changes to the Code from Investis

Dear Mr Hodge

Thank you for your invitation to comment on the proposed revisions to the Combined Code.

Investis is the UK's leading provider of corporate website services to listed companies. We work with more than a third of the FTSE350, hence our interest.

We share your belief that many companies do a disservice to their investors in taking a boiler-plate approach to the reporting of their governance and risk management processes. This is often apparent in the corporate governance content on websites, where links are sometimes provided to a pdf in which content can be found, and terms of reference for committees may be provided, but no attempt is made to communicate governance in simple English or in the broader context of business performance.

So we welcome the general thrust of the proposed changes. In particular we support the encouragement for boards to engage with private shareholders and the changes proposed to improve understanding of the business model in layman's term, the risks faced and the controls implemented to manage those risks.

Corporate websites are the front line of communication with all shareholders and we strongly support the proposal to give companies the option to put governance information on the website in full and to produce an edited version in the annual report. Not only are there obvious cost and environmental benefits from reducing the quantity of printed material mandated by regulation, but we also believe this would encourage companies to treat corporate governance as a matter for communication and not just regulation.

We would ask the FRC to go further than making this purely optional and consider mandating greater disclosure of Governance information in plain English on corporate websites. This would be analogous to the existing financial reporting requirements for various items to be disclosed on the face of the balance sheet and not simply buried in notes to the financial statements.

The Combined Code already requires certain disclosures to be made on corporate websites under Schedule C. Should this not be expanded to create a requirement for a more rounded and complete set of governance disclosures, in line with the requirements set out in DTR 7.2? A starting point for such a section might be as follows:

- Statement of compliance with the relevant code
- Account of company's internal control mechanisms
- Account of company's risk management systems
- Account of the management and supervisory bodies and committees
- o Details of Nominations committee, Remuneration Committee and Audit Committee as per existing Code
- Conflicts of interest, including transparency about Director's dealings and any policies on Whistleblowing etc

The website has become the default source of information on a company. If you wish to shine greater light on the governance of listed companies then we would urge you to take steps to ensure this information is not hidden under a bushel.

Yours sincerely,

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Director

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