

From: Lloyd, Simon [mailto:Simon.Lloyd@alliance-leicester.co.uk]
Sent: 20 July 2007 08:59
To: Chris Hodge
Subject: Review of the Combined Code

Dear Sirs

I refer to the current consultation exercise being carried on by the Financial Reporting Council on the Combined Code.

In our opinion the Code is working well and we would not see the need for any major change and indeed would see major change as something to be avoided. Rather than answer each separate question posed in the consultation document I would make the following general comments:

- The Code's principles based approach allows flexibility for companies to meet the requirements of the Code in the manner that is best for them. We do not believe a rules based approach would be as effective.
- We would support a change from "comply or explain" to "apply or explain". The comply or explain approach has restricted some of the flexibility of the principles based approach adopted by the Code.

Yours sincerely

Simon Lloyd
Group Secretary