1. Does the Code support better board performance over time?
The Code generally supports good board governance, e.g. the requirement for the separation of the roles of Chairman and CEO and robust, independent non-executive directors which can lead to better board performance.

It presents challenge and necessary focus to board performance around its downsides, such as the emphasis on the monitoring function of the NEDs, and process.

Board performance relies to a critical degree upon:

- the reliance of the NEDs on the Executive for high quality information and insight into the business in order to ensure that they are able to monitor performance effectively and contribute to debates on matters such as remuneration in an informed manner;

- potent Board appraisal;

- the leadership and quality of the Chairman, including a Chairman who is able to keep demands for detailed information in check so as to not overburden NEDs and allow them to concentrate on driving the company forward; and

- the Chairman's working relationship with the CEO.

2. Is the "comply or explain" approach working effectively?
In general, yes. The approach will work more effectively where:

- boards do not default to boiler plate clauses and shun good explanation, perhaps due to well meaning but over cautious professional advise; and

- institutional investors are encouraged not to follow a tick box approach and to participate in dialogue where companies choose to explain.

The above are real issues, the fault lying not necessarily with the Code, per se, but with other regulations, e.g. Accounting Standards.

3. What impact has the Code had on smaller companies?
Large and small companies benefit from London's reputation for highly-efficient, transparent and well-regulated markets, through the two primary markets – the Main Market and AIM. The Code encourages and assists smaller companies in meeting the standards required to meet investor expectation in London market.

Further, the Code contributes to a level reporting playing field, giving stakeholders comparable information and allowing informed investment decisions to be made.

4. Do disclosures on the Combined Code in annual reports provide useful information to shareholders at proportionate cost to companies?
We would reiterate our comments under 2 above.

The new e-communications provisions under the Companies Act 2006 will allow companies to default to communications with their shareholders through the company website (unless the shareholder requests hard copy) and could see cost savings in terms of print runs for both small and large companies

Additional comments
We would urge that all foreign companies listed on the Main Market, either in a primary or secondary manner, are regulated to adopt the standards set out in the Combined Code.