

Chris,

We have carefully considered the proposed amendments to the Stewardship Code and while we are generally supportive of the changes which we believe provide greater clarity of responsibilities and should engender a greater degree of scrutiny and transparency, there are some aspects which we believe are less positive.

In general we tend to be against anything which adds to the amount of bureaucracy which our investment professionals have to undertake and which will detract from the time available to carry out their main investment duties. We do see adherence to the Stewardship Code as an integral part of their duties but we would rather see this as observing the spirit of the Code rather than in feeling obliged to carry out activities in a way which will 'tick the box' of monitoring bodies.

In particular, we are concerned to see the introduction of a 'mandatory' requirement to give external validation which will bring with it additional bureaucracy and cost. We do not believe that it will add to the process. Companies will feel forced to carry out such independent audits to satisfy the demands of the governance monitoring industry that may see an 'explain' approach rather than a 'comply' approach as being a failure. In the current economic climate we would rather expend the time and cost that would be incurred in auditing our activities enhancing our stewardship processes.

Regards,

Andrew Killean

Chief Operating Officer - Investment

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