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Dear Sir/Madam

Further to your consultation on the revised Corporate Governance Code, I can confirm that we are very supportive of the revised Code, however please see below our responses to your questions.

Response to Question 2 of the Proposed Revisions to the UK Corporate Governance Code (“Code”):
Do you have any comments on the revised Guidance?

We understand and fully support the principles behind the suggested changes. However, some of the measures are over prescriptive and could increase the burden of reporting on companies and the complexity and cost of doing business without best achieving the desired objectives.

Response to Question 3 of the Code:

Do you agree that the methods proposed in relation to gathering the views of the workforce are sufficient to achieve meaningful engagement?

We endorse the need for any well managed and successful company to be fully engaged with their workforce and gathering inputs from them that are reflected in Board debates on key issues. The caveat is that such inputs should inform but not undermine the CEO, Exec Management and Board responsibility for transparent and strong Governance and day to day operational management including the tough decisions that sometimes are required. The other point we could make is the FRC definition of workforce which extends to include contractors and outworkers where there could be conflicting views (inhouse v outsourced, one location versus another).

Response to Question 5 of the Code:

When more than 20% of votes have been cast against a resolution, the company should explain, when announcing voting results, what actions it intends to take to consult shareholders in order to understand the reasons behind the result. An update should be published no later than six months after the vote. The board should then provide a final summary in the annual report, or in the explanatory notes to resolutions at the next meeting, on what impact the feedback has had on the decisions the board has taken and any actions or resolutions now proposed.

We feel that a threshold set at a 20% vote against is too low for two reasons:

1. The voting threshold could create problems for companies as institutional shareholders increasingly outsource their voting to proxy advisors, some of whom do not have the resources or inclination to engage

with companies to discuss the rationale for certain proposals and as such can "block vote" without being fully informed.

2. Companies are encouraged to design bespoke remuneration solutions which are appropriate to their needs but do not always fall within the guidelines of proxy advisors or the particular (and varied) preferences of institutional investors. It is difficult if not impossible to reconcile such different views and if a Board were to pursue a bespoke solution that fits their needs and strategy, it could attract a significant, minority vote due to it not meeting with the approval of enough shareholders/proxy advisors. For these reasons we would suggest a higher threshold than the 20% proposed. Allied to this could be a code of conduct for proxy voting advisors to ensure that full and proper dialogue takes place and all decisions are fully informed and considered.

Response to Question 7 of the Code:

Do you agree that nine years, as applied to non-executive directors and chairs, is an appropriate time period to be considered independent?

We have real concerns regarding the hardening of the position on independence as it relates to the Chair particularly when succession planning is overlaid. This is two-fold in that you may have a CEO change near a strict Chairman rotation date when it would be more sensible for the Chair to stay on for a period to ensure continuity is maintained and the induction is robust; equally, it may be sensible for a current NED to succeed to the Chair but their tenure may be less than ideal if the 9-year independence considerations are adhered to. These considerations are particularly relevant when diversity is added into the mix as diverse candidates are more likely to succeed from within (ie NED to Chair) than appointed directly as Chair.

Yours faithfully

Paul Walker
Non-executive Chairman