



Mr C Hodge  
Corporate Governance Unit  
Financial Reporting Council  
Fifth Floor  
Aldwych House  
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WC2B 4HN

27 July 2011

Dear Mr Hodge

### **FRC Consultation: Gender Diversity on Boards**

BT Group plc (“BT”) is one of the world’s leading communications service companies, serving the needs of customers in the UK and in more than 170 countries worldwide. BT shares are listed on the London and New York Stock Exchanges and BT is a constituent of the FTSE 100 index.

We very much welcome the opportunity to respond to this consultation which addresses one of the key issues raised by Lord Davies in his report “Women on Boards”.

BT strongly supports the concept of a board drawn from a range of backgrounds, to ensure that the widest possible spectrum of strategic insights and viewpoints are embedded in board debate and decision making process.

In terms of gender diversity, BT has already built a track-record in attracting and retaining women to our business. Currently, 25% of non-executive directors are women, and by this October 30% of attendees at the BT executive committee will be female.

Turning to the specifics of this consultation, the UK Corporate Governance Code (the “Code”) states (emphasis added):

#### “B.2 Appointments to the Board

##### Main Principle

There should be a formal, rigorous and transparent procedure for the appointment of new directors to the board.

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Company Secretary  
BT Group

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## Supporting Principles

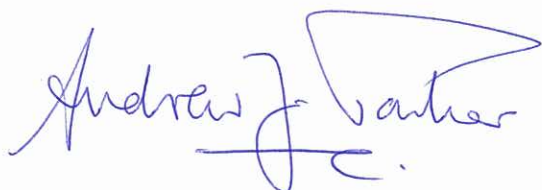
The search for board candidates should be conducted, and appointments made, on merit, against objective criteria and with *due regard for the benefits of diversity on the board, including gender.*”

We believe that the current provisions within the Code already identify the importance of gender diversity when selecting potential candidates. The Code became effective for accounting periods beginning on or after 29 June 2010 and we consider that market practice in respect of the updated Code provisions must be given time to become established before further changes to the Code are considered.

In addition, our view is that the concept of diversity should encompass a wide range of criteria, and not be unduly focussed in a single area such as gender. The overarching principle should be that every company should operate a true meritocracy, and ensure that the best candidates are selected to take board or senior executive positions in an organisation, irrespective of gender or other diversity factors.

I trust that our response is helpful to your consultation process, but please do not hesitate to contact me directly, should you wish to discuss this matter further.

Yours sincerely

A handwritten signature in blue ink that reads "Andrew Parker". The signature is stylized with a large, sweeping flourish at the end.

ANDREW PARKER