

Sir Robert Smith  
Financial Reporting Council  
Holborn Hall  
100 Gray's Inn Road  
London  
WC1X 8AL

4 December 2002

Dear Sir Robert

### **AUDIT COMMITTEE BENCHMARK**

As major investing institutions in the UK, we would like to commend the attached benchmark to the Financial Reporting Council and to your review of the Combined Code provisions on Audit Committees and related arrangements.

Given the importance of the Audit Committee's role a range of institutions have, from a shareholder's perspective, contributed to the development of what we consider to be a clear and practical Benchmark for Audit Committees. This has been developed with two objectives in mind. The first is to provide a source from which companies and their non-executive directors can develop arrangements and disclosures appropriate to their own organisations. The second is to assist investors, whether it is in assessing the nature and scope of a company's disclosures or in having an informed dialogue about the approach adopted.

We and other institutions who have been involved (who are writing to you separately, in support), would like to request that you incorporate this Benchmark into your deliberations and have full regard to it in making your recommendations in this area. As a group we are collectively responsible for funds exceeding £1.5 trillion.

Copies of this letter have been sent to The Rt. Hon. Patricia Hewitt, relevant DTI and Treasury officials, Charles Bridge at the FRC and to our representative organisations.

Yours sincerely,

For and on behalf of



**Schroders**

PERFORMANCE THROUGH INNOVATION

**BARCLAYS GLOBAL INVESTORS**



**Gartmore**



**NEWTON**

