

Provisional Decision on Remedies submission

Dear Competition Commission,

I write in a personal capacity as Audit Committee Chair of BG Group plc, Audit Committee Chair of G4S plc and a member of the Kingfisher plc Audit Committee. All three companies are members of the FTSE 100.

My view is that there is much in your report to commend. I have, however, one major reservation.

This major reservation comprises the statutory requirement for audit tenders every 5 years (with a possible two year extension). Having been through the external audit retendering process at BG Group plc, I am certain this period is too short. It took nearly two years from my initial wish to retender to the change of auditors, including 11 months from when the process actually started until the change was made. Since then, a further 4 months on, I would say that the bedding in process is still not complete. The idea that we would be obliged to start rethinking the whole process in approximately three years time is too short, too disruptive and too burdensome.

You make the point about 5 years being the audit engagement partner's limit. I have no problem with that, and the arrival of a new audit engagement partner is not a particularly laborious or cumbersome affair. It is certainly very distant from the whole external audit tender process, plus its concomitant requirement to change non audit services.

I stick with my earlier advice that 7-9 years is a reasonable period, tying in with the normal span of a non-executive director's appointment.

I also stick with my view that this should be on a comply or explain basis. It is unnecessary to rush to legislation when guidance has been so recently introduced, and acted upon in the case of BG Group plc already. Both G4S plc and Kingfisher plc have changed auditors within the last 9 years, without any prompting from any regulators.

I would be more than happy to expand further upon this should you so desire, and would be grateful for confirmation that this email has been received.

Yours Sincerely,
Mark Seligman.

6 August 2013