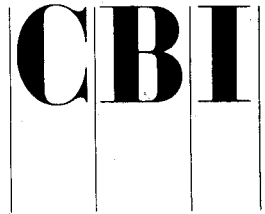


Replied 10/6/91

Confederation of British Industry  
Centre Point  
103 New Oxford Street  
London WC1A 1DU  
Telephone 071-379 7400  
Facsimile 071-240 1578  
Telex 21332

Director-General  
John M M Banham

Deputy Director-General and Secretary  
Maurice Hunt



CAD-01217

4 June 1991

Sir Adrian Cadbury  
Chief Executive  
Cadbury Limited  
Bourneville  
Birmingham B30 2LU

Dear Sir Adrian

Further to our telephone conversation yesterday morning, I am enclosing the draft agenda for the meeting of the Steering Group on Corporate Governance on 25 June at 1000 hrs. I also enclose a current membership list.

Sir Brian Corby, Chairman of the Steering Group, would be delighted if you could come along to the meeting and outline the preliminary plan of your new committee on corporate governance. He knows in principle you are agreeable and if you could confirm I will send the agenda and papers out very shortly, and arrange for you to receive a full set.

Many thanks.

Yours sincerely

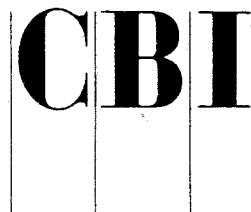
A handwritten signature in cursive script, appearing to read 'G Foster', written over a horizontal line.

**G Foster**  
*Secretary*  
*CBI Steering Group on Long-Termism and*  
*Corporate Governance*

Enc

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Maurice Hunt



**DRAFT**

SG 08 91

**CBI STEERING GROUP ON LONG-TERMISM**  
**and**  
**CORPORATE GOVERNANCE**

**AGENDA FOR MEETING**

to be held on

Tuesday 25 June 1991 at 1000 hrs at Centre Point Rm 3  
103 New Oxford Street, London WC1A 1DU

1 **Minutes of Previous Meeting:**

To approve Minutes of meeting held on 19 February, previously circulated.

2 **Matters Arising:**

To discuss matters arising therefrom.

3 **Progress on current initiatives:**

- attached note from the Confederation of British Industry
- attached note from the Association of British Insurers
- attached note from the Institutional Fund Managers' Association

To discuss current initiatives and to identify any duplications of efforts or omissions.

4 **Committee on Corporate Governance:**

To receive a report from Sir Adrian Cadbury, Chairman of the new Committee, to examine corporate governance issues. Details attached.

5 **Launch of DTI Investor/Industry Communications Booklet:**

Latest draft of booklet attached; to discuss.

6 **Any Other Business.**

\* \* \*

**CBI STEERING GROUP ON LONG-TERMISM**

and

**CORPORATE GOVERNANCE**

Sir Brian Corby  
President, CBI  
Chairman, Prudential Corporation

Dr J S Burgess CBE  
Chairman, CBI Research and Manufacturing Committee  
Consultant to Immuno International AG

C M Gilchrist Esq  
Chairman, National Association of Pension Funds Investment Committee  
Aberdeen Trust PLC

D B Lees Esq  
Chairman, CBI Economic and Financial Policy Committee  
Chairman and Chief Executive, GKN PLC

C K R Nunneley Esq  
Chairman, Institutional Fund Managers' Association  
Deputy Chairman, Robert Fleming Holdings Ltd

T J Palmer Esq CBE  
Chairman, Association of British Insurers  
Group Chief Executive, Legal & General Group PLC

Sir John Quinton  
Chairman, Committee of London and Scottish Bankers  
Chairman, Barclays Bank PLC

A C Hugh Smith Esq  
Chairman, The International Stock Exchange

M Smith Esq  
Head of the Industrial Finance Division  
Bank of England

M G Taylor Esq  
Chairman, CBI Companies Committee  
Vice-Chairman, Hanson PLC

B W Willott Esq  
Head of Financial Services Division  
Department of Trade & Industry

Terms of refce. | timetable. Depdt. on others.

Why setup?

- a) No. of septe. initiatives, addressing one aspect of relationships boards. s/hldrs  
pref  
advisers
- 1] Came from one party to debate only
  - 2] No obvious means of deciding what parts turned into action by whom.

Role :- for body representing wide spread of interests involved pull together initiatives & put keyrs behind those improve effective functioning of board system in terms of its financial reporting in practice.

Board deal in common, both monitoring the numerous initiatives in hand but :-

- 1) be focus on financial aspects only
  - 2) be bring together not only main interests, but those capable of making changes to existing procedures, ~~if~~ ~~more~~
- Indus. beh rep. - Ian Butler - Sir Dermot de Trafford - 100 Gp.

Ensure recs. while improve competitive posn.

- b) have to recognise considerable concern <sup>about</sup> fin. ability co's. ma eg. that concern  
Immed. row  
over pay
- How can <sup>major</sup> collapse soon after producing reports, analysts saw no fault? Fault? Auditors, s/hldrs, etc. rules too flexible, does reports fail to deal with right issues & measures? Cipro. respective resp. dir/auditors

Problem is search for scapegoat puts everyone on defensive. Institutes, attacked for hands off, auditors worried about being sued, ~~etc.~~ under great takeover / savaged by press.

- c) What matters about such sitn. is not uncountable. but inefficient. Common interest all parties co's shld. improve competitive posn. internat. not likely to do so if various interests concerned at odds.

- d) Wrong believe all basically well, odd rotten apple, improvement in behaviors put matters right. Level of activity in all qtrs. reflect level of dissatisfaction.

- e) Noted Nathan Nathanson, no accepted defn. Corp. govt. Could do more. work together, keep informed.

BUT O/S  
PRESS  
EXPECNS