

7 January 1992

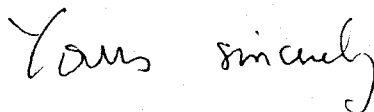
Sir Adrian Cadbury  
Committee on the Financial Aspects  
of Corporate Governance  
PO Box 433  
Moorgate Place  
London EC2 2BJ

Dear Adrian,

I have been corresponding with one of our Council members about relationships between quoted companies and analysts. He writes - "I still worry about 'insiders'. These brokers and analysts are often represented by junior people and I seriously suggest that there is a very real problem of improper use. On the other hand, the real 'owners' are the shareholders, who are represented by the Institutions to whom they have entrusted their money. Does this mean that a Shareholder who uses an Institution or a Unit Trust has an advantage over a Shareholder who invested direct in the Company? This is the nub of my worry and I am very concerned that the word 'act responsibly' is a phrase that applies to all, large and small alike. Am I wrong in assuming that all should receive information at the same time and I simply cannot see the need for video screens - a dangerous instrument causing priority to be given to simultaneous receipt of any information about a company by any individual Shareholder. I do hope you can support and advance this view. Speedy communication is an obvious device for lack of forethought, or worse".

Obviously company information released on the screen by the Stock Exchange gives an advantage to those who monitor the information. This is something which is surely here to stay and is I would think an unalterable disadvantage borne by the ordinary shareholder.

There will always be improper use of information, with chinks in Chinese walls, but it seems to me that the advantages of involving institutions with the companies they own far outweighs the occasional case of abuse.

Yours sincerely

Dermot de Trafford Bt

