

COMMITTEE
ON
THE FINANCIAL ASPECTS
OF CORPORATE GOVERNANCE

hi Adrian

Space for retention

CAD-0224)

30th December, 1991

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Terry Arthur Esq.,
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Dear Terry,

Many thanks for your letter of 9th December and the article from Pensions Management, which I read with interest.

I promised that I would let you have a copy of an American paper (by Gilson and Kraakman) which urges the creation of a market for professional outside directors. The paper is strong on setting out the arguments against non-executive directors of the traditional type, but less strong on identifying where the new professionals are to be found, and how they are to be recruited.

With best wishes,

Yours sincerely,

Nigel.

Nigel Peace
Secretary

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9th December 1991

Strictly personal

Dear Nigel

Corporate Governance

I very much enjoyed our brief chat at the Economist's conference last week.

As promised I enclose a little bump about my own position - essentially that of an ex-consulting actuary on investment issues, now an independent non-executive in the financial sector. I also enclose a copy of a short article I wrote on Corporate Governance for Pensions Management (in which I quote your brother). Another article, on dividend policy, is due to be published in the next issue of Benefits International. This was the article I mentioned in which I quote Sir Adrian, and in which I also make a point about professional or full time non-executives. I would be very interested in your reaction to this.

I would be very grateful for any general ideas and suggestions you may have concerning the scope for independent non-executives.

With best wishes for the festive season


Terry Arthur

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