

a Sir Adrian

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COMMITTEE
ON
THE FINANCIAL ASPECTS
OF CORPORATE GOVERNANCE

PO Box 433
Moorgate Place
London EC2P 2BJ
Tel: 071-628 7060 ext 2565
Fax: 071-628 1874

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The Editor
The Sunday Telegraph
1 Canada Square
LONDON E14 5DT

Dear Sir,

I would be grateful if you could correct an error of fact in the article in last Sunday's Business Telegraph, which refers to Lord Hanson's comments on this Committee's draft report.

Lord Hanson is quoted as saying, "The Cadbury suggestion that non-executives should sit on just one board was nonsense". This suggestion has been attributed to me a number of times in recent weeks, but it figures nowhere in the draft report, it is not my personal view, and I entirely agree with Lord Hanson that it is nonsense.

The point I have been making is simply that the likely increase in the demands on time and commitment of non-executive directors in future will lower the number of posts to which they will feel able to do justice at any one time.

There are clear advantages in holding more than one outside directorship in terms of the exchange of experience, as Lord Hanson points out, and of making the best use of a scarce resource - effective non-executive directors.

*Yours faithfully
Adrian Cadbury*

Sir Adrian Cadbury
Chairman