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London STOCK EXCHANGE

14 August 1991

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AC Hugh Smith
Chairman

Dear Adrian,

Many thanks for your letter of 12 August.

Clearly we must be concerned to keep the numbers on the Committee to a reasonable size but in this case I think it is important to take Mark's point into account given the importance of having enough practical board members on the Committee to avoid criticism that companies' viewpoints were not adequately represented. I would be happy, therefore, if the rest of the Committee agreed with Mark, to go along with the proposal.

The choice of another member is of course inevitably difficult. There must be something to be said for involving a chief executive given that we already have two chairmen and a finance director involved. Chief executives are of course always heavily involved and I have to confess that I cannot immediately think of a suitable candidate. If we were to settle for a chairman I wonder whether Chris Hogg might be persuaded to take it on. He is a man of very high calibre and of course is involved in Reuters as well as the two Courtaulds companies.

Another person who is likely to have more and better ideas than myself is Jonathan Charkham whom I always consult when looking for candidates for this type of role. He has a very extensive acquaintanceship with senior people in business and industry and his previous involvement in ~~Pro~~ adds to his experience.

*V
wms*

Andrews