

# CHAYTOR, STEELE & Co.

*a Sir Adrian.*  
CAD-02205

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*Ach'd*

*Nish*

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JC/KD

Dear Sir Adrian

Thank you so much for your letter dated 12 June together with a copy of the draft report. This is receiving my attention and I hope to write to you again when I have read through the same one or 2 times.

Attached is a schedule taken from a few sets of accounts and you will observe that the location of the notice calling the AGM is now almost universally located at the end of what is invariably a rather bulky document. I would venture to suggest that by that time, shareholders have long since got bored and the document has found its way to the WPB. Certainly, 25 years ago or more, it was very much the fashion for the notice calling the meeting to be placed at the very front and in fact only a few years ago, GEC actually printed it on the very front page! (They wasted no paper in those days.)

As regards institutional investors voting in favour of the Board, you will be interested in the copy letter enclosed. Dr Gillibrand was an ex-employee of Chloride (I think dismissed), but he put up a constructive fight at several annual meetings, but without success. And this was almost certainly because that little man (the Chairman) was omnipotent because of the institutional support.

Perhaps proxies should not be issued by companies, but if they must, then definitely they should not be pre-paid. You cannot expect shareholder interest if the result is pre-determined.

On a separate issue, I would venture to suggest that the history of Chloride over the past 10 years is a perfect example of the ineffectiveness of the non-executive directors.

As regards internal auditors, I do notice now that certain of the large international audit firms are providing an internal audit service and I think your Committee should consider whether it is correct for the internal audit service to be provided by the same firm that performs the audit.

I am sure you must think I have nothing better to do than write letter and I promise not to write to you again until I have read your draft report and then only if I have anything further to suggest.

Yours sincerely

Jonathan Chuyter

ANNUAL REPORTS

	<u>YEAR</u>	<u>TOTAL NO OF PAGES</u>	<u>CONTENTS OR INDEX SUPPLIED</u>	<u>LOCATION PAGE OF AGM</u>
Altnacraig Shipping	1991	17	-	1
American Colloid Co	1991	19	IND	1
ASTEC (BSR)	1991	32	CON	30
BOC	1991	74	CON	74
Boots Company	1991	56	CON	56
British Aerospace	1991	60	CON	60
British Gas	1991	32	CON	
Cadbury's Schweppes	1991	67	IND	66
Courtaulds	1991-92	44	CON	44
Dalgety	1991	52	CON	51
Ferguson International Holdings	1992	31	CON	31
Forte	1992	60	CON	60
Laird Group	1991	43	CON	42
Lasmo	1991	60	CON	58
Lucas Industries	1991	52	CON	52
Midland Bank	1991	64	CON	64
Morgan Crucible	1991	50	CON	49
P & O	1991	56	CON	53
RIT Capital Partners	1992	27	CON	27
Royal Insurance Holdings	1991	56	CON	
Scallop Kings Plc	1991	20	-	1
Scottish & Newcastle Breweries	1991	40	CON	40
Sears Plc	1991-92	52	CON	52
Shell Transport & Trading Company	1991	52	CON	INSIDE BACK PAGE
St James's Place Capital	1991	28	CON	27
Stakis	1991	34	CON	33
Stratagen	1991	21	CON	20
Sun Alliance	1991	40	CON	2
Tarmac	1991	72	IND	71
Thorn EMI	1991	68	CON	
T & N	1991	52	CON	51
Wearne Bros	1991	67	CON	3
Williams Holdings	1991	88	CON	76