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COMMITTEE
ON
THE FINANCIAL ASPECTS
OF CORPORATE GOVERNANCE

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3 March 1995

Sir Adrian Cadbury
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Dear Sir Adrian

Thank you for your fax. I will prepare some general figures on the Committee's costs to pass to you next week.

Enclosed is a copy of the APB's Annual Review, and an invitation from the BCAB to give a lecture in Liverpool. I advised them on the phone when they made the initial enquiry that you would be very unlikely to accept any invitation which involved speaking on corporate governance, they have therefore given you a completely open brief!

Two articles which appeared in the FT on 27 February may be of interest to you, and I enclose copies. I have requested a copy of the paper on non-executives quoted in the second article, from Warwick Business School.

I am enclosing a short briefing note for Tuesday's meeting, **please see Paragraph 6**. I trust that by now you will have heard from Nigel concerning the arrangements for your meeting with him and Sarah Brown in the morning.

Also enclosed is an invitation which we have had printed for the Committee's dinner on 10 May. Unless you have any objections to the style, we will send them out early next week.

With best wishes

Gina

**COMMITTEE ON THE FINANCIAL ASPECTS
OF CORPORATE GOVERNANCE**

COMMITTEE MEETING 7 March 1995

Briefing for the Chairman

Apologies for absence

1. No apologies have been received to date.

Minutes of the last meeting

2. These were previously circulated under a note from Sarah dated 12 December. I have amended them very slightly to expand Nigel Macdonald's ideas on the role of the institutional investors (paragraph 13).

Matters arising from the Minutes

3. **Internal Control** - the guidance for directors was published at the end of December. Together with going concern, this requirement of the Code will now be monitored under our research with ABI.
4. **Issues for the Successor Body** - I will be re-drawing the list of items to be considered by the successor body as proposed at the last meeting. Nothing has arisen in the interim which should be added to it.

Independence of Directors - Letter from PIRC

5. Will you ask Jonathan Charkham to expand on the points raised by PIRC in their letter of 21 February? This subject is already on the agenda for the successor body.

Monitoring Sub-Committee

6. After discussion with Andrew Likierman this morning, we are in agreement that the draft report on monitoring is not yet ready for submission to the full Committee for approval. We have agreed that it needs further refinement, after which it will be circulated for approval and comment to members of the Monitoring Sub-Committee. A final draft will be submitted to you for approval, but we would not intend showing the final draft to the full Committee. Although ideally it could be

seen as a courtesy to let the full Committee have sight of the final draft, time constraints do not allow this, as the next (and final) meeting is on 10 May, and this would not allow sufficient time for publication before the Committee's demise.

Any Other Business

7. You may wish to ask Sir Sydney Lipworth if he would like to brief Committee members on developments in drawing together the successor body, assuming that it has not arisen during the course of the meeting thus far.

Gina Cole
3 March 1995