

COMMITTEE  
ON  
THE FINANCIAL ASPECTS  
OF CORPORATE GOVERNANCE

*hi Adrian*

*Space for retention*

*CAD-0224)*

30th December, 1991

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

Terry Arthur Esq.,  
23, St. Mary's Street,  
STAMFORD,  
Lincs. PE9 2DG.

*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

---

**Terry Arthur** BSc FIA FIS JPMI  
***Institutional Investment Strategy***

---

23 St Mary's Street  
STAMFORD  
Lincs PE9 2DG  
Telephone 0780-53525  
Fax 0780-65610

Nigel Peace  
Committee on Financial Aspects of Corporate Governance  
P.O. Box 433  
Moorgate Place  
London. EC2P 2BJ

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

encs