

Sciteb 3 Berkeley Square, London W1X 5HG 071-499 6215 (FAX 071-491 4811)

September 6, 1991

Sir Adrian Cadbury
Rising Sun House
Baker's Lane
Knowle
Solihull
West Midlands B93 8PT

De Sir Adrian

We have now had the first two of the lunch discussions on Technology-related Aspects of Corporate Governance. The first, on August 21, involved Lord Tombs and John Robinson (Smith & Nephew) and was very friendly and constructive. I have made notes and circulated them to the participants for comments/clearance prior to sending them to you. Unfortunately Lord Tombs is out of the office until the 10th, so I should be able to send you the notes shortly thereafter.

The second, on September 3, was kindly hosted by Sir Michael Angus and involved in addition Michael Cobham (FR Group), Peter Flesher (Allied Colloids), Tony Gill, Sir Denys Henderson, Roger Hurn (Smiths Industries), David Plastow and Iain Vallance. This was very interesting, but at the end two CEOs became somewhat abusive: one has since apologised but the other has not (although another CEO rang afterwards to distance himself from their remarks).

Part of the difficulty was that the CEO in question had just come back from holiday and was apparently under the impression that you were going to be present. I have reviewed the correspondence and I find the following:

¶ Letter of June 20, inviting participation

Sir Adrian Cadbury has encouraged us to hold a couple of lunch or dinner discussions on the technology-related aspects of corporate governance, to provide some further input to his working party on this topic. What we have in mind is gatherings of 6-10 Chairmen or CEOs of UK-owned technology based companies for a free-ranging discussion. We will prepare a short 'thought starter' paper which I will discuss with Sir Adrian when I meet him at the end of June. We will also provide a summary of the outcome of the discussion which, after circulation in draft for comments to the participants, Sir Adrian has asked us to send him.

It seems pretty odd that you should need us to send you a summary of the outcome of the discussion, if in fact you were going to be at the meeting!

¶ Letter of August 1, confirming arrangements

I am very glad that you will be able to attend one of our lunches to discuss Technology-related aspects of Corporate Governance, on Tuesday, September 3 at 12:30. Sir Michael Angus has very kindly offered to host this lunch at Unilever House.

The other people who are presently expected on that day are:

<i>Michael Cobham</i>	<i>(FR Group)</i>
<i>Peter Flesher</i>	<i>(Allied Colloids)</i>
<i>Sir Anthony Gill</i>	
<i>Roger Hurn</i>	<i>(Smiths Industries)</i>
<i>Sir David Plastow</i>	
<i>Ian Vallance</i>	

The first of these lunches will have taken place on Wednesday, August 21 and we will send out our revised 2-3 page 'thought starter' document after that. It should be an interesting discussion. I look forward to meeting you then.

I would have thought that this was a pretty explicit list, although on reflection I suppose that it is just possible to misconstrue it, since I do not mention myself either.

¶ Letter of August 23, enclosing thought starter

Please find enclosed the promised thought starter paper on Technology-related Aspects of Corporate Governance, for our lunchtime discussion on Tuesday, September 3 at 12:30. You will recall that this is being kindly hosted by Sir Michael Angus at Unilever House.

We anticipate an interesting and free-ranging discussion which should not in any way be limited to the points raised in the paper. We will prepare a summary of the points made which, after circulation for approval to all the participants, will be sent to Sir Adrian Cadbury. In general this summary will try to avoid attributing remarks to specific people and I hope that we will be able to treat the lunch as a confidential forum. Sciteb is doing this work on a pro bono basis and we are not reporting in to any client.

I look forward to meeting you on the 3rd.

This also seems pretty clear to me.

¶ Letter from the CEO concerned's PA confirming his acceptance

The Chairman is at present overseas and in his absence I am writing to acknowledge receipt of your letter of 23 August, enclosing starter paper for your lunchtime discussion on Tuesday, 3 September. [He] will see it on his return next week, and is looking forward to joining Sir Michael Angus and your other guests at Unilever House ...

There would seem to have been no confusion in the PA's mind at least.

I am not seeking to criticise the CEO concerned, who has many other things on his mind than the precise composition of a meeting. But I hope you will agree that his confusion was not my fault. I shall of course make quite sure that there is no possibility of this misunderstanding in respect of subsequent meetings.

With best wishes

Nicholas

Nicholas Beale