

ANNEX

A Membership of the Committee on Corporate Governance

The report is issued in the names of the following members of the committee:

Sir Ronald Hampel (Chairman, ICI plc) – Chairman

Michael Coppel (Chairman, Airsprung Furniture Group plc)

Michael Hartnall (Finance Director, Rexam plc)

Giles Henderson CBE (Senior Partner, Slaughter and May)

Sir Nigel Mohhs (Executive Chairman, Slough Estates plc)

Tony Richards TD (Director, Henderson Crosthwaite Ltd.)

Tom Ross (Principal and Actuary, Aon Consulting Limited)

Peter Smith (Chairman, Coopers & Lybrand)

David Thomas (Director and General Manager (Investments), The Equitable Life Assurance Society)

Sir Clive Thompson (Chief Executive, Rentokil Initial plc)

John Healey – Secretary

Lord Simon of Highbury (previously Sir David Simon CBE, Chairman of British Petroleum plc) was a member of the committee from its establishment until 7 May 1997, when he resigned on his appointment as a Government Minister.

Christopher Haskins (Chairman of Northern Foods plc) was a member of the committee from its establishment until the publication of the committee's preliminary report in August 1997, when he resigned following his appointment as Chairman of the Better Regulation Task Force.

B The Committee's Remit

The committee's remit was agreed with the sponsor organisations – the London Stock Exchange, the Confederation of British Industry, the Institute of Directors, the Consultative Committee of Accountancy Bodies the National Association of Pension Funds and the Association of British Insurers.

The terms of the remit were as follows:

‘The committee will seek to promote high standards of corporate governance in the interests of investor protection and in order to preserve and enhance the standing of companies listed on the Stock Exchange. The committee’s remit will extend to listed companies only.

Against this background the committee will:

- (a) conduct a review of the Cadbury code and its implementation to ensure that the original purpose is being achieved, proposing amendments to and deletions from the code as necessary;
- (b) keep under review the role of directors, executive and non-executive, recognising the need for board cohesion and the common legal responsibilities of all directors;
- (c) be prepared to pursue any relevant matters arising from the report of the Study Group on Directors’ Remuneration chaired by Sir Richard Greenbury;
- (d) address as necessary the role of shareholders in corporate governance issues;
- (e) address as necessary the role of auditors in corporate governance issues; and
- (f) deal with any other relevant matters.

Without impairing investor protection the committee will always keep in mind the need to restrict the regulatory burden on companies, e.g. by substituting principles for detail wherever possible.’