

RESPONSE OF R H BURLEIGH

Derek Higgs' Review Paper on Non-Execs – 7 June 2002

Three thoughts

1) "Background" – para 13 and "Role" – para 8

It is very unlikely, if not impossible, to find a Non-Exec who is a specialist in every field that is likely to be encountered. Each Non-Exec has individual skills which he or she brings to bear on Board discussions. The only generally desirable characteristic to look for in all Non-Execs is the ability to think and contribute strategically.

But all Non-Execs

- (a) have a responsibility to do their utmost to ensure things are not done incorrectly; and
- (b) more importantly should be ready to assume a responsible role when things do go wrong.

At the same time, the Executive Directors individually and collectively, have the responsibility to endeavour to ensure that, using their skills, things are done correctly.

2) "Attracting and Appointing" – para 14

Chairmen, particularly of small to medium sized companies, suffer (I believe) from a lack of awareness of the pool of suitable (and available) people to be Non-Execs. There is if you like a tendency to rely on their own experience which in turn leads to insularity – the "old boy net". More use (and better use) of a nomination committee would be an antidote. Should such Committees be legally obligatory?

3) "Structures and Accountability" – para 17

The Company Secretary has a critical role to play in preparing for and preparing the Directors for Board and Committee Meetings. But he should never be a Director of a company of which he is the Secretary; he cannot speak and take minutes and he has a much more important role of being the sounding board (and whipping boy) between the Directors and the rest.



R.H. Burleigh 15 August 2002