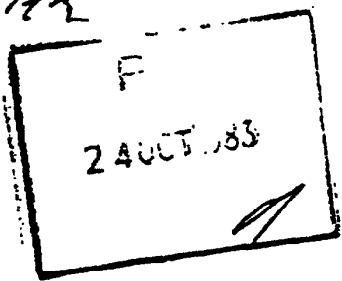


*DA PATK*



October 19, 1983

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4 Westmount Square  
Montréal, Canada  
H3Z 2S8  
(514) 937 9111

Mr. P. Sheehy  
Chairman  
B.A.T. Industries p.l.c.  
London, England

Paul Paré  
Chairman and  
Chief Executive Officer

Dear Pat:

Re: Chairman's Advisory Conference

With the thought that impressions about the above conference may be of some value in planning future gatherings, I am taking the liberty of conveying some observations while they are still fresh in my mind.

As you know, Pat, I have attended many CAC's and there is a natural inclination to compare VIII with previous conferences.

The conferences in recent years tended to be somewhat repetitive, and structured in such a way as to preclude any forum for general discussion. The emphasis, of course, was confined to reports on one's stewardship, projections for the future, and occasionally to act as a participant in some other presentation.

It seemed regrettable that major issues that may confront a company or country within the group were not addressed, with the possible exception of "smoking and health". Frankly, one got the feeling that the primary objective of past conferences was to ensure that everyone paid attention to their current role and nothing more. For these reasons I must say the conferences, structured in such a way, were of limited usefulness to me.

This changed significantly, in my view, during CAC VIII where, as Chairman, you conducted the Conference essentially for the purpose of open discussion and the exchange of information.

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Even though some of the formal papers were not fully presented, the questions and comments emanating from the group were much more interesting and informative. By calling on any delegate to address a particular subject you not only expanded the points of view on various topics, but ensured that all attendees remained alert which, in my opinion, contributed to more in-depth analysis.

In talking about tobacco, the question of what happens in our business world when tobacco is no longer the dominate enterprise, was more or less a general thought during previous conferences. At CAC VIII, this important subject was covered in the context of a specific probability. This was particularly useful because it sets the stage to respond to what we know will be inevitable in the future.

From my observations, the need to accelerate our diversification programs was generally acceptable throughout the group and, certainly, within the Canadian context this objective is of the highest priority. I found the discussions relative to acquisition or expansion into either the manufacturing or service industries very interesting. The operations of Imasco, are, of course, centred in consumer goods and services and, I must say, the prospects of moving further into the consumer service sector, specifically financial services, appears to be a possible area of opportunity. This discussion left me with the feeling that such a move, by two or more companies within the group, could provide the means to interact one company to another, each becoming a beneficiary from such a collective endeavour.

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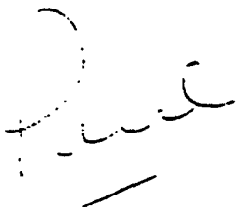
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Overall, the conference was thought-provoking and stimulating, in the sense that the future of Imasco, in terms of diversification and expansion, has become perhaps our primary corporate objective.

The facilities, service, and overall arrangements by BATIG were simply outstanding. I think they deserve a lot of credit for the time, effort, and resources they put into it. Furthermore, I compliment you, Pat, in Chairing what I considered an excellent conference and, without in any way diminishing your role, arranging the proceedings so that the "host country" in actual fact, acted as the genuine host.

When you decide on whether or not a future CAC may be desirable and beneficial to the group, the conference this past month most certainly was a departure from the past and, in setting the tone for any future gathering, I would look forward very much to participating.

With kind regards,

A handwritten signature in cursive script, appearing to read 'Pat', with a horizontal line underneath.

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