

To: All Members of the B.A.T Industries Board

Guidelines : July 1991

Drafts of the Guidelines for the Operating Groups and for Inasco are attached, with examples of the covering letter which will be sent out with each. The covering letters for BATCo., BATCF and Souza Cruz will be similar to that for Brown and Williamson and the letters for Allied Dunbar and Farmers will follow the pattern of the letter to Eagle Star.

The Guidelines indicate the contributions required from each part of the Group in order that B.A.T Industries can achieve its own objectives.

They are based on the Group Financial Objectives and Strategy Review papers presented to the Board at the meeting on 2nd July. They also reflect the conclusions from previous CPC discussions of the Plans and Strategy Reviews for the individual Operations.

It is intended that, subject to any amendments that are agreed by the Board, the Guidelines will be sent out during the next few days.

They will then provide a basis for the discussions between now and the end of the year regarding the levels of performance and action programmes which should be included in the individual Budgets and Plans for 1992-96. They will also be used as background to the continuing discussions to agree the main directions of strategic thrust for each of the Operations.

18th July 1991

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