

RESTRICTED

BRITISH-AMERICAN TOBACCO COMPANY LIMITED

MANAGEMENT BOARD MEETING

4th February 1993

Present: Mr B D Bramley (Chairman)
Mr P N Adams
Mr N Davis
Mr K S Dunt
Mr R S Hartley
Mr R H Pilbeam
Mr J Rembiszewski

In attendance: Mr P L Clarke (Secretary)

Also attended: Mr G J Burgess (Item BBI.10)
Dr R E Thornton (Item BBI.11)
Mr G A Read (Item BBI.11)
Mr R G Taylor (Item BBI.14)

Apologies: Apologies for absence were received from Messrs D S Watterton and N G Brookes.

Previous Minutes: The minutes of the meeting held on 8th January 1993 were agreed.

BBI.10 PERFORMANCE REVIEW

The Board considered the draft review of BATCo's performance against the 1992 objectives and a draft of the proposed objectives for 1993. Following various amendments to reflect the Board's comments, it was agreed that the Performance Review and 1993 Performance Objectives should be submitted to CPC for approval. With regard to the objectives on personnel management, it was agreed that the structure of the personnel function to meet the needs of the RBUs should be reviewed.

BBI.11 SMOKING ISSUES

Dr Thornton gave the Board a presentation on topical issues relating to smoking and health. He reported on recent research in relation to the role of the p53 gene in the suppression of potential tumours. He noted that the Scientific Research Group (SRG) is monitoring p53 research and is currently supporting two research projects relating to p53.

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Dr Thornton reported that increasing recognition was being given in Europe and elsewhere to the effects of diet on the incidence of cancer.

Dr Thornton also updated the Board on a recent epidemiological study on health and lifestyle in the United Kingdom. In discussion, the Board recommended that greater effort should be made by the industry to counter political pressure on the industry by publicising the fact that the mechanism of disease causation is still an open issue from a scientific point of view.

BBI.12 ENVIRONMENTAL ISSUES

Mr Davis presented a report on environmental issues. He indicated that current activities included the preparation of plans aimed at achieving best practice in the various environmental fields in which BATCo is involved. A Group environmental manager has been appointed and research is being carried out into new materials and packaging. Steps need to be taken to ensure good co-ordination with other Operating Groups on this. An environmental management manual is being prepared and an auditing system is being introduced on an experimental basis in two pilot companies.

Specific environmental issues which were being addressed included the use of agricultural chemicals, infestation control, solid waste and packaging materials, factory emissions and afforestation.

BBI.13 SAFETY

Mr Davis reviewed BATCo's safety record for 1992 and noted that the total number of accidents had improved as part of a continuing drive towards creating a safer working environment. However the number of serious accidents and fatalities had also increased in 1992. Mr Davis noted that most serious accidents occurred as a result of employee stupidity or deliberate contravention of safety rules.

In discussion, it was agreed that General Managers should be required to attend safety seminars which are regularly organised on a regional basis.

Mr Davis showed the Board a new training video on safety at work which had been produced for BATCo and which vividly demonstrated the serious consequences for employees of not observing safety rules.

BBI.14 MARKETING MEDIA REVIEW

Mr Taylor reported to the Board on training programmes organised by the marketing department on creating effective advertising and maximising media effectiveness. The programmes were aimed at ensuring that the annual media spend achieved optimum results. In discussion, it was agreed that a separate session should be arranged for the Board on the techniques of media management.

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BBI.15 AUDIT COMMITTEE MINUTES

The Board approved the minutes of the meeting of the Audit Committee held on 7th January 1993.

BBI.16 CONTRACT MANUFACTURE

The meeting discussed the company's policy on requests for contract manufacture from dealers or other cigarette suppliers. It was agreed that Mr Dunt should prepare a draft policy document to reflect the points made in the course of discussion.

BBI.17 TOUR REPORTS

Tour reports for Malaysia, Australia and Indonesia were noted.

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