

Tobacco chief was forced out of Glaxo

By Rob Griffin

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Imperial Tobacco's chairman, Derek Bonham, left the board of pharmaceutical giant GlaxoSmithKline after a highly organised campaign by health campaigners and institutional shareholders.

The company had announced that Bonham, 57, who had been a non-executive director since 1995, was voluntarily stepping down to devote more time to his other business interests. He is also chairman of Cadbury Schweppes

But a series of leaked documents reveal he was actually the target of an unprecedented number of attacks by health campaigners and institutional shareholders over the past two months.

It is understood that Glaxo, which produces both the smoking cessation drug Zyban and Nicorette patches, was threatened with losing lucrative partnership projects, with groups such as the World Health Organisation and the Cancer Research Campaign, if Bonham was retained as chairman of the audit committee. The company's senior executives, including chairman Sir Richard Sykes and chief executive Dr Jean-Pierre Garnier, were also warned they faced a barrage of negative publicity and vociferous shareholder action at the forthcoming annual meeting in May.

Last night it was revealed that Dr Gro Harlem Brundtland, the director general of WHO, had personally contacted Glaxo to express concern over Bonham when it was revealed he was on the board.

The British Medical Journal, the Cancer Research Campaign and Action on Smoking and Health are also understood to have taken up the issue with the company, its investors and directors.

It is believed senior figures within Glaxo feared losing the solid links it had worked hard to build up within the health community, including co-funding WHO's tobacco control policies and supporting policies surrounding Malaria and Aids treatments.

One of the memos obtained by Sunday Business - a letter to Dr Garnier from Clive Bates, director of ASH, states: "This positive and constructive environment is threatened by the continuing presence of Derek Bonham.

"Loss of public, private and voluntary sector collaboration is inevitable."

Referring to Glaxo employees, Bates continues: "I feel this must be very undermining for GSK staff...For them, doors that they have worked to open will close, and friends

and allies they have cultivated will have no choice but to turn away. No one will be happy about this, but it is inevitable.”

A spokesman for Glaxo refused to comment when asked if Bonham had discussed the nature of his departure with the company or whether his decision had surprised fellow board members.

A statement from the company said: “The decision was Derek Bonham’s and he made that decision in order to devote more of his time to the boards of the companies that he is also chairman. We have been aware of concern from shareholders over his position on the board.”

Prominent industry sources dismissed as inconceivable the notion that Bonham’s departure, and the extensive lobbying campaign, were purely coincidental. “I know there was intense lobbying in the week or two before he resigned,” said one well known figure. “There was lobbying of institutional shareholders and it just wouldn’t have been worth him (Bonham) continuing at the end of the day”

Bonham is a past member of the Financial Accounting Standards Advisory Council (USA) and served on the Accounting Standards Committee (UK).

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