

M&S boss under pressure to quit as chairman

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The pressure on Marks & Spencer boss Sir Stuart Rose increased today when another shareholder advisory group threw its weight behind a proposal to force Rose to vacate the chairman's seat.

Pensions and Investment Research Consultants is backing a resolution to be put before the annual meeting next month calling on the retailer to appoint an independent chairman within 12 months.

The resolution has been tabled by the Local Authority Pension Fund Forum, which remains unhappy at Rose's promotion last year to executive chairman. In that role he is both chief executive and chairman – a position that contravenes corporate governance guidelines and angered shareholders.

This week RiskMetrics, which provides voting advice to pension fund shareholders, also backed the resolution while the Association of British Insurers – whose members control 15% of the stockmarket – has given the company an "amber top", drawing investors' attention to issues before casting their vote.

Rose has made it clear he intends to recruit a new chief executive before July 2010. He has not yet ruled out an internal candidate, though shareholders believe there is only one – finance director Ian Dyson – and would prefer an outsider. Headhunters have yet to be appointed.

Rose faces pressure as M&S underperforms. This week the ABI forced him to give up part of a share-based incentive.