

## **Forum calls for independent M&S chair but backs Rose**

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An influential umbrella group for local authority pension schemes yesterday said its attempt to seek the separation of chief executive and chairman roles at Marks & Spencer, which is currently headed by executive chairman Sir Stuart Rose, is a "safety valve" for disgruntled investors.

The Local Authority Pension Fund Forum (LAPFF), which claims to speak for schemes controlling two-thirds of council pension assets, has continued to lobby other investors to back a resolution it is presenting to the company's annual shareholder meeting next week calling on the company to appoint an independent chairman by July 2010. But it is backing Rose's re-election.

LAPFF chairman Ian Greenwood said: "We want to be absolutely clear that the focus of our concerns is the governance structure, not Sir Stuart himself, and we are recommending that our members support his re-election.

"But we also urge M&S shareholders to signal their support for good governance by voting for our resolution calling for an independent chair."

In 2008, 22% of shareholders opposed Rose's re-election after the company decided earlier that year to appoint him executive chairman, contrary to corporate governance norms.

Rose has since said he will step down by July 2011 at which point a separate chairman and chief executive will be appointed.

M&S warned share-holders in a mailing about its annual meeting that Rose could quit the board if the LAPFF resolution, which is also supported by shareholder advisory body Pirc, is passed.

Greenwood said the forum's resolution is intended to provide a "safety valve" for shareholders who want a return to a conventional board structure but do not want to vote against Rose himself.

He said: "Clearly we don't share the company's view that the resolution will destabilise the company.

"It is after all the board which has created this situation by diverging from the best practice accepted by the vast majority of the UK-listed market."