

Renewed protests against Sir Stuart Rose's dual role at Marks & Spencer

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Marks & Spencer's decision to appoint Sir Stuart Rose as executive chairman and chief executive has come under fire from the Local Authority Pension Fund Forum.

The body, which represents 48 pension funds with combined assets of over £95bn and owns around 2pc of the retailer, said it thought Sir Stuart had done a good job but that too much power was in his hands.

It is opposed to him potentially holding both positions for up to three years, saying the company has failed to justify why it needs to ignore corporate guidance. In a letter to Marks & Spencer's current chairman, Lord Burns, LAPFF has threatened to call for the roles to be separated at next year's annual general meeting.

"The forum is concerned that the current situation has the potential to set an unhelpful precedent for the market as a whole," wrote chairman Ian Greenwood. "If a blue chip company such as M&S announces its intention to breach a fundamental governance principle for three years, what message does this send?"

Mr Greenwood told The Daily Telegraph that a separate chairman and chief executive are needed to "counterbalance each other". He added the company has also made Sir Stuart a too important individual. "What happens if he decides to leave or is poorly? If that happened, then the company would be up the creek. I just think it is extremely dangerous."

A spokesman for Marks & Spencer said the LAPFF is "entitled to its view but the combined code is a set of guidelines, not rules". He added: "The board has stated its reasons and Stuart's re-election was backed by shareholders at the AGM earlier this month".

The retailer says Sir Stuart is the best person to steer the company through a difficult economic environment.

Mr Greenwood said LAPFF was only bringing the matter up now after meeting its members last week.

He said depending on Marks & Spencer's response, he would be seeking support from other shareholders to back a motion against Sir Stuart's re-election to both posts next year.