

LAPFF has T. Rowe in its sights

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The Local Authority Pension Fund Forum has called on its members to oppose the remuneration report of US-based asset manager T. Rowe Price.

The LAPFF, which represents local government pension schemes, cited "poor compensation practice and poor performance" and called on its 49 member schemes to withhold support for the company's compensation committee.

LAPFF chairman councillor Ian Greenwood said the forum could not support remuneration and incentive schemes which gave rewards to directors "merely for being there".

He added: "Setting specific performance targets that are aligned with the company's strategy is imperative, especially in difficult times, to appropriately measure how executive directors perform.

"We cannot assume that their presence alone is enough to tackle the challenges that financial companies in particular will face in the near future."

The LAPFF has written to T. Rowe Price, expressing concern over the compensation committee's practices and said its actions were not aligned with long-term shareholder interests.

Although the company has issued a reply to these concerns, the LAPFF said its response did not meet fundamental concerns, prompting it to take further action in advance of the T. Rowe Price annual meeting on April 8.

T. Rowe Price spokesman said: "As the company said in some detail in its proxy statement, we set performance targets that are aligned with corporate strategy and align executive compensation with the interests of our shareholders. We have short and long term targets that link compensation to overall corporate performance and success in achieving corporate goals."