

# NAPF gets tough with amendments to voting rules

The National Association of Pension Funds (NAPF) has created tough new corporate governance standards for company chairmen ahead of this year's AGM season.

The amendments to its voting policies focus on people who are directly responsible for monitoring chief executives and valuing company assets.

The NAPF has warned that it will recommend withholding votes or voting against board chairmen that combine their role with that of chief executive for more than a year.

It will also hold the chairman ultimately responsible for the maintenance and oversight of a strong governance policy, and for "continued material non-compliance with the combined code without adequate explanation". Failure will be met with votes against the chairman in question.

David Paterson, head of corporate governance at the NAPF, added that he would be consulting with members in the coming months on ways in which the policy might be further amended to better protect the interests of long-term investors.

Other amendments to the code recommend a limit on the fees that accountants can take for work over and beyond auditing, to limit potential conflicts of interest.

It has also taken steps against share buy-back programmes of over 30% of the voting rights of a company.

Alan Pickering, chairman of Bestrustees, said pension funds had to share some of the blame for allowing corporate excess.

"Anybody who owns shares collectively has to take the responsibility of ownership as well as taking the dividends of profits."