

Gilchrist is trustee chair after EMI bins Smellie

Charlie Kirby

Music giant EMI has replaced its trustee chairman Ian Smellie with Bestrustees' Clive Gilchrist.

PW can exclusively reveal that this decision was taken at the end of May after the trustee board failed to come to an agreement over additional contributions with private equity house Terra Firma, which owns EMI.

A source close to the situation told *PW* that Quentin Stewart, financial director of Terra Firma, was also removed from the pension negotiations at this point to enable a fresh start. The Pensions Regulator was said to be aware of the situation.

Prior to his departure, Smellie

to make extra payments to protect the 22,000 members of the pension scheme.

Clive Grimley, partner at Barnett Waddingham, said it was the first time he had seen a chairman being removed by an employer and that the story would send shockwaves across the industry.

"This event [Smellie's removal] is not particularly good news and unfortunately it could lead to more divisions between trustees and the employer in future," he commented. "But chairmen must be prepared to stand up and fight their corner against their employer. They have got one interest and that is

emphasis from the regulator on what was expected of trustee chairmen. "The regulator has issued statements recently that it expects a higher standard of knowledge from chairmen and in my opinion this is just the thin end of the wedge," he said.

"I think it will push more responsibility onto chairmen, with further accountability being forced onto independent chairmen."

Ros Altmann, independent pensions consultant, said the decision by EMI to appoint an independent chairman could have been taken in order to "receive a better hearing" in future meetings with the