

RREV Potential Governance Issues Alert 020707

Meeting Date 2007	RREV Report 14 day cut-off	Company	FTSE	Potential Governance Issue
19-Jul	03-Jul	Acal plc	SC	Governance: Board balance - okay. Audit and Remuneration Committee - okay. Nomination Committee - not majority independent. Sec 80 authority poses for a 5 year expiry but historically sought annually. Remuneration: EPS target for ESOS is below the minimum.. Pensionable bonuses. Rolling Retesting for ESOS.
19-Jul	03-Jul	Blacks Leisure Group plc	SC	Governance: CEO Resigned 4-Jun-07 following profit warning - his re-election remains on the proxy form. Board balance and Committee composition - okay. No Senior NED. Section 80 and 95 - 5 year authority but historically sought annually. No performance evaluation conducted during the year. Bd Ch stood down from the Ctees. Remuneration: Retention Bonus for 2 Executive Directors. Confirm Nomination Committee changes due to the recent resignation of the CEO. Termination payout for former ED - not disclosed. 2 New Plans for approval - no disclosure on retesting, threshold vesting - above the normal level and perf conditions not sufficiently challenging vs brokers forecast.
19-Jul	03-Jul	BT Group plc	100	Remuneration: Retention bonus issue re: Andy Green.
19-Jul	03-Jul	Dairy Crest plc	250	Governance: Composition of Board and Committees compliant with CC. However, 2 INEDs will step down from the Bd during the year. RREV engaging re appt of at least one additional NED reqd to achieve Bd balance. Remuneration: Vesting at minimum threshold level was decreased from 40% to 30% during the year.
19-Jul	03-Jul	Mothercare plc	SC	No potential governance issues of note.
19-Jul	03-Jul	Wincanton plc	250	Non-compliant board committees. Inadequate remuneration disclosure.
19-Jul	03-Jul	Yell Group plc	100	No major issues identified. Improved corporate governance at the Company.
20-Jul	04-Jul	Cable and Wireless plc	100	Governance: Balance of Board and Committees okay. Remuneration: Proposing to amend the controversial remuneration plan by removing the current GBP 20 million individual cap.

20-Jul	04-Jul	Luminar plc	250	Governance: Board and Committee composition okay. Remuneration Review conducted in the year – Proposed new PSP to replace Bonus and ESOS. Subject to the proposed PSP no further awards under the Deferred Bonus Plan – Max annual bonus reduced from 150% to 100% of basic salary. A Restricted Share Award (one-off retention award) was granted to Nick Beighton in July 2006. The award has no performance condition and will vest 50% in July 07 and 50% in July 08. In order to secure the Chairman's services the Remuneration Committee offered a one-off cash award – phantom award which is subject to TSR targets – engage needed with the Company.
24-Jul	06-Jul	Chloride Group plc	SC	No contentious issues identified at this stage.
24-Jul	06-Jul	FKI plc	250	Board balance and Ctee composition-ok. No financial expert.
24-Jul	06-Jul	Fuller Smith & Turner plc	SC	Quick check currently in progress.
24-Jul	06-Jul	Johnson Matthey plc	100	Governance: Board and Committees OK. Two NEDs retired - two new NEDs appointed. Remuneration: New LTIP. Historic concern that EPS targets in the Company's ESOP may be insufficiently challenging.
24-Jul	06-Jul	Severn Trent plc	100	Governance: Board balance compliant. Committees compliant.
24-Jul	06-Jul	Vodafone Group Plc	100	Governance: Board and Committee composition okay; Shareholder resolutions (resolutions 25-28) Remuneration: Company is proposing some changes to the performance measures to be applied to the 2007 option grants under the Global Incentive Plan (GLTI) and the awards under the Deferred Share Bonus plan and the performance shares/options weighting to be applied to this GLTI grant.
24-Jul	06-Jul	Wagon plc	SC	Governance: Board not compliant, but the Board intends to appoint one further independent NED in the near future, which would bring Board balance back to compliance. Main Committees compliant. Significant salary and fee increases without explanation. Other minor remuneration issues.

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