

## RREV Potential Governance Issues Alert 160707

Meeting Date 2007	RREV Report 14 day cut-off	Company	FTSE	Potential Governance Issue
01-Aug	18-Jul	Halma plc	250	(1) Pre-emptive Rights: Section 80 and section 95 authorities exceed the recommended duration and would last for 5 years (previously one year); (2) Independence: Board balance does not meet recommendations of Combined Code. The composition of the Committees is non-compliant at present, but will be in line once a new NED is hired.
01-Aug	18-Jul	Kelda Group plc	100	(1) Governance: No notable issues relating to the governance of the Company. (2) Remuneration: Proposed LTIP amendments that include the removal of time pro-rating in a change of control situation.
01-Aug	18-Jul	Vedanta Resources plc	100	No governance issues of note.
01-Aug	18-Jul	Workspace Group plc	250	(1) Independence: The Board balance is not compliant with the recommendations of the Combined Code. The composition of the Committees is okay. (2) Combined positions: Finance Director and Company Secretary. (3) Pre-emptive Rights: Section 80 and 95 are 5-year authorities, but shareholder approval is historically sought annually.
02-Aug	19-Jul	Detica plc	250	(1) Independence: Board balance and composition of Nomination Committee are okay. Composition of Audit and Remuneration Committees is not in line with the Code, as the Board Chairman is the Chairman of the Remuneration Committee and a member of the Audit Committee. (2) Potential 'Abstain' vote recommendation: Board Chairman is standing for re-election.
02-Aug	19-Jul	Invensys plc	250	(1) Independence: Board and Committee compositions are compliant. (2) Remuneration: Company is proposing new LTIP and special award to CEO.
02-Aug	19-Jul	Northumbrian Water Group plc	250	(1) Governance: Extensive Board refreshment. (2) Independence: Composition of Board & Committees is okay. (3) Remuneration: Company is proposing amendments to LTIP, which would increase the maximum potential award and change the performance conditions.

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