

At a high level the Proposals are sensible and we, as an institutional investor, do not have any significant issues with them. The intention not to change the codes and standards for which you are responsible is a good one as it will enable a reasonable period of time to embed changes already made or in hand to be completed; especially allowing a number of iterations to improve the practical implementation of the principles and any changes to them encoded in the codes and standards.

I have two points I would like to make, the second one being a question, on the basis of starting a discussion:

- I have a concern that the UK Corporate Governance Code (the “Code”) has led companies in general to keep executive directors at a minimum of just two - CEOs and CFOs – and from an investors’ point of view this may not result in an effective balanced board as required by the Code; or require non executives to be more executive than they should be; or require too many non executives. It will be interesting to see if compliance with the Code in respect of board balance and effectiveness is met through explanation rather than this minimum of executive directors being exceeded by non executives.
- In respect of Investor stewardship, how will the survey evidence of the extent of asset owners being satisfied with the standard of reporting from asset managers be satisfied? I ask this in the expectation that the “asset owners” of our funds (in particular our UK equities products in which most UK corporates are held as investments), who are mainly retail savers introduced through advisers, will not be asked.

Kind regards, Charles



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