



SAVANNAH 2021 BOARD REVIEW

An analysis of the FTSE 100 and FTSE 250 executive and non-executive board appointments in Q4 and 2021



INTRODUCTION

I'm pleased to welcome you to this highly anticipated edition in our series of reports on FTSE board appointments. As well as providing our usual quarterly analysis, the final report of the year also allows us to reflect on the past 12 months as a whole.

Having been conducting these reports now since 2018, we have a strong basis through which to provide comparative analysis and draw conclusions as to the buoyancy of FTSE board activity and what impacts the market.

Business execs are likely to have felt a sense of déjà vu as Autumn turned into Winter and spiralling cases of Covid-19 brought back an all too familiar environment of uncertainty and trepidation. Though the government response in England was largely limited to once again mandating working from home if possible and mask-wearing in retail and transport settings, other UK nations went further. Compounded with general behavioral change, the Omicron wave served to halt the pace of the economic rebound which had been growing the previous quarters.

Nonetheless, 2021 still recorded the fastest pace of growth (7.5%) since 1941, following the dramatic 9.4% collapse in 2020 as the pandemic forced parts of the economy to shut. Though the economy shrank

0.2% in December as Omicron restrictions and concerns hit the hospitality and retail sectors, the full fourth quarter growth still showed growth (1%). The expansion in 2021 meant the UK was the fastest growing economy in the G7 group of nations, though it remained behind the US, Canada and France in comparative terms to pre-pandemic economies. Unlike those nations, the UK economy ended 2021 still slightly smaller than it was at the end of 2019.

How this growth backdrop, combined with the varying degrees of market confidence and uncertainty through the year, aligned with FTSE 350 board appointments is something we will delve into later in this report. But first, as is customary, we present our review of the last quarter.



Fiona Motley

Partner, Board Practice and
Head of HR Practice

a: 8 Old Jewry, London, EC2R 8DN

m: +44 (0) 7925 515 649

e: fmotley@savannah-group.com



Q4 2021

As is common, the final quarter represented the lowest activity of the year. But though it's normal for the year to end with a whimper rather than a bang, the three months between October and December 2021 were particularly underwhelming for FTSE board appointments.

The 72 NED appointments across FTSE 350 companies in the fourth quarter were down 20% on the previous quarter and 6% on the same quarter of 2020, while executive director appointments were down 15% on the previous quarter and 27% on the same quarter in 2020.

Breaking this down, FTSE 100 board additions across NED and executive director appointments were down on both comparative quarters, Q3 2021 and Q4 2020, while the 45 NED appointments in the FTSE 250 did at least represent a slight increase over the same quarter in 2020. FTSE 350 chair appointments were also down year on year, from 9 to 7.

34

FTSE 100
appointments



56

FTSE 250
appointments



90

FTSE 350
appointments



Q4 2021 APPOINTMENTS

By all measures, FTSE board appointments were also significantly down on the same quarter in 2019. While we expect the unpredictability around the extent to which the government would return Covid-19 restrictions played a part in the muted activity around board appointments, we also believe it represents a much wider levelling out following the spike of activity in early 2021.



NOTABLE APPOINTMENTS

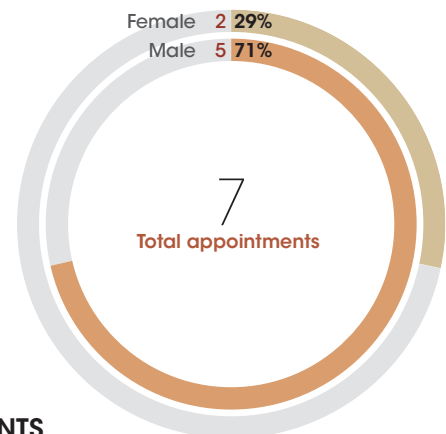
There were only 11 executive director appointments across the FTSE 350 in the final quarter of 2021, but with some notable inclusions. The highest profile appointment undoubtedly came at Barclays, where C. S. Venkatakrishnan ascended to the CEO role following the controversial departure of Jes Staley, who had led the banking group since 2015. Elsewhere in the FTSE 100, housebuilder Barratt Developments welcomed a new CFO, Mike Scott, who was lured from the same position at Countryside Properties, whose IPO he had helped preside over back in 2016.

In the FTSE 250, Penny Ladkin-Brand was elevated to the board of media group Future, having joined the company as interim CFO back in 2015. New CFO appointments included Caroline Borg at Qinetiq following the retirement of David Smith, and Andrew Holden at software reseller Bytes Technology Group in a role absorbing his prior COO responsibilities. CEO appointments, meanwhile, included Hans Dieltjens at TI Fluid Systems and Michael Willome at Synthomer.

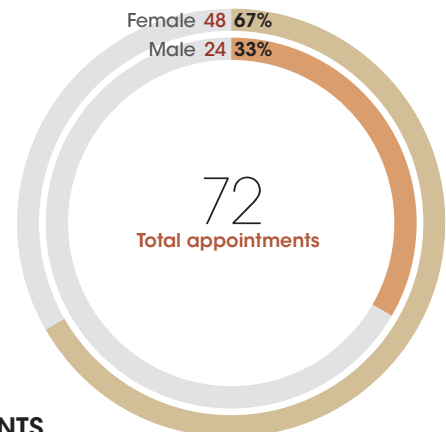
Several household-name FTSE organisations saw changes in the seat of the chair. Adam Crozier, former CEO of Royal Mail and ITV, took over at BT, while Anita Frew became the first female chair at Rolls-Royce and former Severn Trent chair Andy Duff joined Sage. In the FTSE 250, Stephen Hester, the former boss of Royal Bank of Scotland, began chair duties at Easyjet.

Amidst the usual wave of NED movements, Informa made a trio of additions to its board with the appointments of Louise Smalley, Joanne Wilson and Zheng Yin. Finance veteran Adrian Hennah and venture capitalist Ruby Lu joined Unilever's board, former Baloise-Holding AG boss Martin Strobel and former MS Amlin chair Shonaid Jemmett-Page were appointed at Aviva, and Imperial Brands secured two female board additions with Ngozi Edozien and Diane de Saint Victor. In the FTSE 250, power generation business Drax Group appointed Erika Peterman and Kim Keating as NEDs, while Rathbones Group appointed Dharmash Mistry and Iain Cummings.

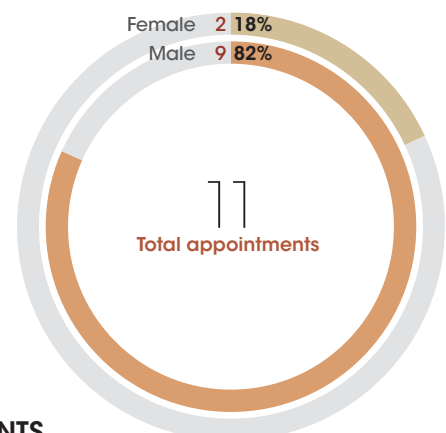
Q4 2021 FTSE 350 CHAIR APPOINTMENTS



Q4 2021 FTSE 350 NED APPOINTMENTS



Q4 2021 FTSE 350 ED APPOINTMENTS





FULL YEAR 2021

Twelve months ago, in our 2020 board review, we reflected on a marked improvement over 2019, a year significantly disrupted by Brexit uncertainty. FTSE 350 board appointments were 12% up year on year, albeit slightly down on 2018. Quickly followed up by a lively start to Q1 2021, amidst widespread optimism in the early days of the vaccine rollout, we mused over whether activity in 2021 would not only eclipse both 2020 and 2019, but also possibly 2018.

The data in Q1 2021 also displayed early evidence, however, that NED activity was accounting for most of the growth. Exec appointments in the FTSE 100 had in fact dipped in comparison to Q1 2020. And though FTSE 250 exec appointments were up on Q1 2020, they were down on Q1 2019.

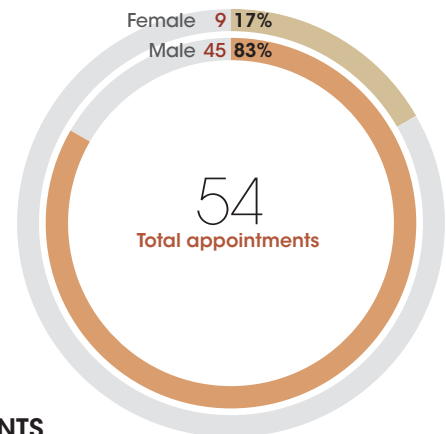
This levelled out in Q2 2021, with a strong quarter for FTSE 100 executive appointments offsetting a less active quarter for NED appointments, and activity down across both in the FTSE 250. But the trend resumed in the third quarter, albeit in no dramatic fashion, and, as we now know in view of the latest data, appointments were down by nearly all metrics in Q4 2021.

Despite the declining pace of activity through the year, when looked as a whole 2021 was a very positive year for board appointments, beating both 2020 and 2019 and only slightly falling short of 2018 (445 vs 450). Looking deeper in the figures, however, does reveal a contrasting picture.

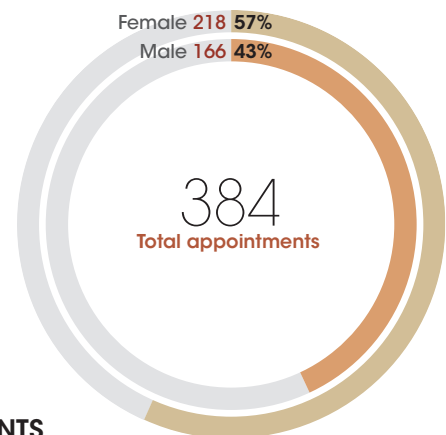
NED appointments across both the FTSE 100 (146) and FTSE 250 (238) were the highest they have been since we began reporting on these figures in 2018, with FTSE 100 NED appointments showing a mammoth 46% increase. Yet at the same time FTSE 350 executive appointments were the lowest we've reported, with only 61 versus the 118 that we saw in 2018.

There were only 37 exec appointments in the FTSE 250 versus 80 in 2018 and 55 last year, and 24 in the FTSE 100 compared to the 38 in 2018 and 33 last year. Chair appointments in the FTSE 100 were high in 2021, up 50% on 2019, but down 31% year on year in the FTSE 250.

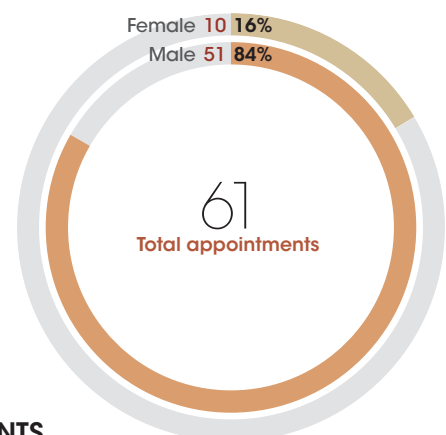
FULL YEAR 2021 FTSE 350 CHAIR APPOINTMENTS



FULL YEAR 2021 FTSE 350 NED APPOINTMENTS



FULL YEAR 2021 FTSE 350 ED APPOINTMENTS





What does the stagnant market for executive director appointments in 2021 despite buoyancy in the NED space show? The obvious answer is that though companies have been keen to add diversity to boards, across skill sets and areas of governance like gender inclusion, all the while they've been hesitant to change exec leadership teams amid an enduring uncertain landscape.

It is also interesting to observe that the widely reported 'Great Resignation', whereby employees of varying levels are changing jobs at higher rates than ever, has not extended to those in executive director roles in listed companies. Will that continue into 2022? Though markets have shown confidence amidst an end to pandemic restrictions, the conflict in Ukraine presents new uncertainties.

GENDER REPRESENTATION

First, the good news. I'm delighted to report that 2021 was a landmark year for gender diversity in the boardroom. It marks the first time ever that more women were appointed to FTSE 350 board roles than men, by 51% to 49%. It follows a year prior when the Hampton-Alexander Review's target of having 33% women in FTSE board roles was met. In the last ten years, the total number of women in FTSE 100 boardroom roles has leaped from 12.5% to 39.1%.

These are genuinely significant achievements, but celebrating them would be inappropriate given what lurks beneath. For sometime now we have been expressing concern about the weighting on female board appointments to NED roles. Representation is one thing, but for diversity to genuinely exist there must be better female representation in the positions holding the most decision-making influence. As executive positions also carry far higher pay than NEDs, we won't see a meaningful shift in the pay gap at board level until more women are appointed to these roles.

Regular readers of our board reports will recall us highlighting zero female executive director appointments in the FTSE 100 in the first quarter of 2021, and the same in the FTSE 250 in the second quarter. Unfortunately, Q4 brought us another zero, and this time again in the FTSE 100. Overall, just 18% of executive director appointments were female across the FTSE 350 in the fourth quarter, compared to 23% in the previous quarter and 20% in the final quarter last year.

Meanwhile, however, female representation among NED appointments was exceptionally high, representing 67% of appointments in both the FTSE 100 (18 vs 9) and FTSE 250 (30 vs 15). This compared to around 55% representation in the previous quarter as well as Q4 2020.

The full-year figures present the same picture. Women made up a substantial 57% of NED appointments in 2021, yet only 16% of executive director appointments. The FTSE 250 performed slightly better than the FTSE 100 in this area, with women taking 19% of executive appointments versus 20% last year and 11% in 2018. Female representation in FTSE 100 exec changes was poor in 2021, representing just 13% of appointments versus 18% last year and in 2018.

Improving the pipeline of top executive women is critical to turning this around, and is something we at Savannah are fully committed to. In 2021, 59% of the executive & non-executive appointments we helped our clients make were diverse candidates. We concur entirely with Sir Philip Hampton's recommendation that companies should have a woman in at least one of the four roles of chair, CEO, SID and CFO, something the FCA is also suggesting in proposals for new rules on FTSE companies. We can only hope that this will help bring better progress in 2022.



LOOKING AHEAD

Though GDP growth is expected to slow in 2022 in comparison to full-year 2021, the pace will certainly increase significantly from the Omicron-blighted end to 2021, with the IMF forecasting expansion of 4.7%. Market confidence is sure to continue to grow as England becomes one of the first nations to effectively signal an end to the pandemic by removing all remaining legal restrictions, including the requirement to self-isolate when infected by Covid, in the first quarter.

Other challenges will cause issues in the economy, however, including a cost of living crisis that the government is struggling to contain amidst rising prices for the likes of energy, food and fuel. Problems in supply chains and labour shortages in several sectors also continue to endure, and in certain areas are likely to get worse before they get better amidst the worrying situation in Ukraine.

But, on balance, businesses have reason to be optimistic, with the Bank of England hopeful of confining the cost of living crisis to being a one-off shock. It has stated that inflation should start to come down after peaking at around 7.5% in the Spring, and supply chain challenges will also gradually ease. We look forward to continuing to bring you our board review reports in 2022.

As with all of our reports, our primary source is BoardEx and we edit the raw data to exclude, for example, internal promotions such as NED to SID and non-independent shareholder employee appointments. We prepare these reports as a contribution to the corporate governance debate which we are always happy to engage on. I hope you find this report of value.



Here are the names of the people appointed to the FTSE 350 boards in Q4 2021.

FTSE 100 ED		FTSE 100 NED	
Charles Brown Jr	COMPASS GROUP Plc	Adam Crozier	BT GROUP Plc
C S Venkatakrishnan	BARCLAYS Plc	Adrian Hennah	UNILEVER Plc
Mike Scott	BARRATT DEVELOPMENTS Plc	Alan Ralph	DCC Plc
		Doctor Annette Thomas	PEARSON Plc
		Arlene Isaacs-Lowe	COMPASS GROUP Plc
		Atif Rafiq	FLUTTER ENTERTAINMENT Plc
		Doctor Ayesha Khanna	AVEVA GROUP Plc
		Badar Khan	CRH Plc
		Danuta Gray	BURBERRY GROUP Plc
		Diane De Saint Victor	IMPERIAL BRANDS Plc
		Gillian Sheldon	SEVERN TRENT Plc
		Harmeen Mehta	LLOYDS BANKING GROUP Plc
		Helen Ashton	JD SPORTS FASHION Plc
		John Hitchins	ST JAMES'S PLACE Plc
		Lesley Knox	3I GROUP Plc
		Louise Smalley	INFORMA Plc
		Mahbobeh Sabetnia	JD SPORTS FASHION Plc
		Mark FitzPatrick	SCOTTISH MORTGAGE INVESTMENT TRUST Plc
		Doctor Martin Strobel	AVIVA Plc
		Ngozi Edozien	IMPERIAL BRANDS Plc
		Paula MacKenzie	B&M EUROPEAN VALUE RETAIL SA
		Ruby Lu	UNILEVER Plc
		Rosemary Wilson	INFORMA Plc
		Shar Nebhrajani	HALMA Plc
		Shonaid Jemmett-Page	AVIVA Plc
		Wendy Mars	ROLLS-ROYCE HOLDINGS Plc
		Zheng Yin	INFORMA Plc

FTSE 250 ED	
Andrew Holden	BYTES TECHNOLOGY GROUP Plc
Antoine Forterre	MAN GROUP Plc
Carol Borg	QINETIQ GROUP Plc
Hans Dieltjens	TI FLUID SYSTEMS Plc
Michael Willome	SYNTHOMER Plc
Penny Ladkin-Brand	FUTURE Plc
Roger Stott	AJ BELL Plc
Segun Ogunsanya	AIRTEL AFRICA Plc



FTSE 250 NED	
Andrew Didham	GCP INFRASTRUCTURE INVESTMENTS Ltd
Doctor Anna Gatti	WIZZ AIR HOLDINGS Plc
Barry Panayi	REACH Plc
Carol Hui	GRAINGER Plc
Catherine Moukheibir	OXFORD BIOMEDICA Plc
Claire Finn	BAILLIE GIFFORD SHIN NIPPON Plc
Dave Randich	TYMAN Plc
David Lowden	DIPLOMA Plc
Delphine Mousseau	SAFESTORE HOLDINGS Plc
Dharmash Mistry	RATHBONES GROUP Plc
Donna DeMaio	HISCOX Ltd
Erika Peterman	DRAX GROUP Plc
Gang Wu	TRITAX BIG BOX REIT Plc
Iain Cummings	RATHBONES GROUP Plc
Isabel Liu	SCHRODER ORIENTAL INCOME FUND Ltd
Joe Hurd III	HAYS Plc
Julia Goh	SCHRODER ASIA PACIFIC FUND Plc
Kim Keating	DRAX GROUP Plc
Kru Desai	SERCO GROUP Plc
Linda Marston-Weston	PLAYTECH Plc
Linda Okunuga	BIFFA Plc
Liz Brown	TRITAX BIG BOX REIT Plc

FTSE 250 NED	
Louise Murray	TP ICAP GROUP Plc
Marie-Laure Duhot	SAFESTORE HOLDINGS Plc
Nandita Tully	MURRAY INCOME TRUST Plc
Natalie Polischuk	FERREXPO Plc
Natalya Yakovleva	PETROPAVLOVSK Plc
Nino Suknidze	TBC BANK GROUP Plc
Pars Purewal	LAW DEBENTURE CORP Plc
Pauline Campbell	MICRO FOCUS INTERNATIONAL Plc
Pauline Reader	AUCTION TECHNOLOGY GROUP Plc
Peju Adebajo	IBSTOCK Plc
Rajeev Sawhney	TBC BANK GROUP Plc
Rebecca Shelley	LIONTRUST ASSET MANAGEMENT Plc
Rita Forst	JOHNSON MATTHEY Plc
Roy Franklin	ENERGEAN Plc
Sam Davis	BAILLIE GIFFORD JAPAN TRUST Plc
Sanjeev Sharma	DERWENT LONDON Plc
Sylvia Kerrigan	DIVERSIFIED ENERGY COMPANY Plc
Tim Scholefield	ALLIANZ TECHNOLOGY TRUST Plc
Tracey Kerr	HOCHSCHILD MINING Plc
Tracy Corrigan	DIRECT LINE INSURANCE GROUP Plc
Tsega Gebreyes-Lalude	AIRTEL AFRICA Plc
Vijay Talwar	DUNELM GROUP Plc
Doctor Vivienne Cox	VICTREX Plc



ABOUT SAVANNAH GROUP'S BOARD PRACTICE

Governance practices of UK companies are being rightly challenged. Ticking the boxes on "governance" does not protect financial integrity, shareholder returns and broader stakeholder interests. At Savannah Group, we have the proven experience, knowledge and intelligence to advise and assist Chairs and shareholders in building effective boards and top management teams. To discuss how we can help, please contact one of our Board Practice members.



Fiona Motley
Partner

Fiona has over 20 years' experience within global executive search and has successfully managed a broad range of Board and senior level appointments across multiple sectors and geographies. She has an extensive Board network and places Chair and Non-Executive Directors for FTSE 100, FTSE 250, FTSE Smallcap and private equity backed businesses. Functionally, Fiona has a strong international track record within HR and as a Partner within Savannah she specialises in senior HR roles in addition to Chair and Non-Executive appointments.



Chris Donkin
Partner

Chris brings over 30 years' experience in Board and senior executive search, talent management and marketing communications to his role as Head of Executive Search and the Industrial Practice at Savannah. His particular sector focus covers automotive and mobility, aerospace and defence, transportation and infrastructure and he was acknowledged recently by the Financial Times as "one of the industry's leading head-hunters."



Tim Clouting
Partner

A Consumer specialist, Tim has extensive experience working globally with brands across many subsectors such as Leisure, Travel, Hospitality, Gaming, Omni-Channel Retail and Consumer Goods - advising global organisations on a wide range of executive resourcing, talent management and senior leadership issues. Deep functional expertise particularly around marketing, customer experience, digital, commercial, through to general management/operations and legal, compliance and regulatory affairs.



Louisa Perry
Partner

Louisa brings 25 years of experience in executive search focused on hiring at board and leadership level within global and domestic organisations. She has specific expertise in hiring Chief Information Officers, Chief Digital Officers, Chief Data Officers, Chief Technology Officers, Chief Information Security Officers and their leadership teams.



Tim Shaw
Partner

Tim is a Partner in the Board and Industrial Practice, where he leads our focus in Board and senior level appointments in Infrastructure, Construction & Services. His deep expertise across the built environment stems from over 20 years in organisational and leadership development, executive recruitment, benchmarking and assessment. This has led to over 300 successful searches with FTSE 100 and Fortune 500 organisations, as well as family businesses, private equity firms, infrastructure and pension funds.



George Williams
Partner

George is a Partner in the Sport, Media and Entertainment practice. He has a track record of recruiting board and executive talent into many of the sector's most innovative organisations. He works on a global remit and has a particular specialism in the sports industry.



Richard Ashton
Partner

Richard specialises in executive and non-executive appointments with a particular specialism in finance. Having qualified as an ACA with KPMG, he has spent over a decade working with a variety of public, private and private equity-backed business across all industry sectors.