



## **BOARD QUARTERLY**

A Review of Appointments to the FTSE 100 & FTSE 250 Boards

**Q2 2019**



## Overview

This report reviews the FTSE 350 board appointments in the second quarter, April – June 2019 and follows our reports for the full year 2018 and Q1 2019. We again analyse the non-executive and executive director appointments to the FTSE 350 companies and explore the trends.

The FTSE 100 appointments in Q2 show a particularly interesting change in direction with, on the one hand, only 28% of the non-executive appointments being women and, on the other, 100% of the executive director appointments being women. This sharply reverses the trends over the previous 18 months.

We also take the opportunity in this report to look specifically at chairman appointments in the first half of 2019 and note that men absolutely dominate both the FTSE 100 chair appointments (100% male) and FTSE 250 chair appointments (90% male). **Women remain scarce at the top of the FTSE 350 companies with 91% of the chairmen and 96% of the CEOs being men!** There is no short term solution to this huge gender gap. There is a lot of work to be done at multiple levels to change this but perhaps the FTSE 100 executive director appointments in Q2 represent a green shoot. More on this below.

### NON-EXECUTIVE DIRECTOR APPOINTMENTS

At the end of Q2 2019, there were 698 non-executive directors (including non-executive chairmen) on the boards of the FTSE 100 companies and there were 1,312 on the boards of the FTSE 250. Of the FTSE 100 NEDs, 39% were women and for the FTSE 250 it was 32%, again demonstrating that the gender diversity campaign in recent years has met its original targets, at least at the non-executive level.

During Q2, the FTSE 100 appointed 39 NEDs of which only 11 (28%) were women, a significant decline in the proportion of female appointments from the 53% overall in 2018 and the 50% recorded in our Q1 report. This is quite possibly a consequence of the FTSE 100 having already fully embraced the gender diversity challenge (as noted above) and an indication of possible saturation. These eleven women hold on average 2.6 public board appointments with six (55%) of them sitting on three public company boards (four of them hold four public company board positions); three of them also hold executive roles. To compare, the 28 men sit on an average of only 1.8 public company boards with only four (14%) of them more than two public company appointments and none on more than three.

It will be interesting to monitor this over the second half of the year.

In quite the opposite direction, the FTSE 250 appointed 65 NEDs, of which 40 (62%) were women, a marked uplift from the 2018 and Q1 2019 results. The FTSE 250 companies have been slower than the FTSE 100 to respond to the clamour for gender diversity. At the end of 2018, less than 30% of the FTSE 250 non-executive directors were women but with a 62% female intake in Q2, it is now clearly catching up.



## EXECUTIVE DIRECTOR APPOINTMENTS

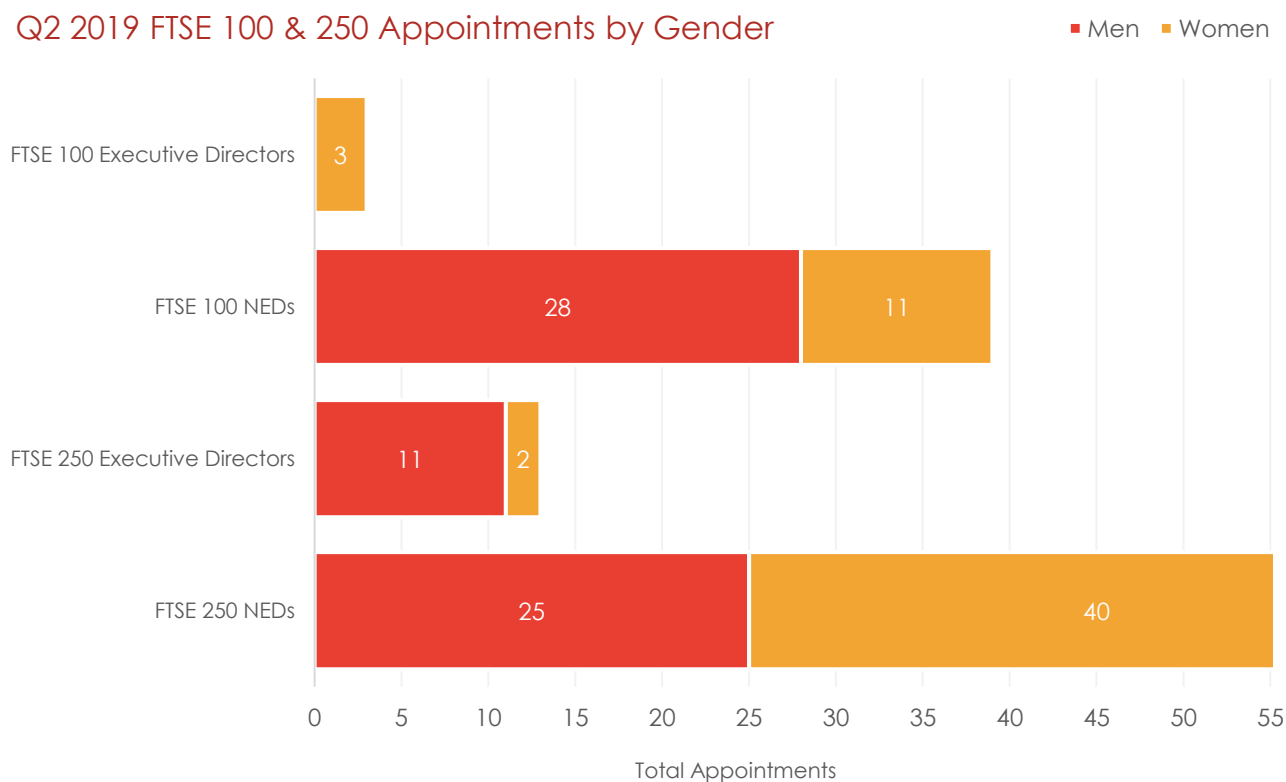
Readers will recall that our earlier reports highlighted the dearth of female executive directors across the entire FTSE 350. At the end of 2018, less than 10% of the FTSE 350 executive directors were women and Q1 2019 showed no significant shift in this mix. We made the point then that women may have more say in governance but men still run the companies. Looking at the appointments in Q2, however, perhaps we are starting to see some change.

In Q2 2019, the FTSE 100 companies made three executive director appointments to their boards. All three (100%) are women - Catherine Faiers at Auto Trader Group Plc, Stephanie Bruce at Standard Life Aberdeen Plc and Karen Witts at Compass Group Plc. As an aside, at 38, Catherine Faiers is the second youngest of all the Q2 FTSE 100 board appointments, next to the ex-Uber executive Jambu Palaniappan, who at only 33 years, has joined the Just Eat Plc board and is the youngest FTSE 100 board member (executive and non-executive) by five years.

The numbers might be small but they are meaningful, particularly when we can now say that almost 30% of the FTSE 100 executive director appointments in the first half of 2019 are women!

The FTSE 250, however, still has some work to do with only five out of thirty-two (16%) of the executive director appointments so far in 2019 being women and no discernible change between Q1 and Q2, in which only two out of thirteen appointments were women.

### Q2 2019 FTSE 100 & 250 Appointments by Gender





## A FOCUS ON CHAIRMEN

While chairmen appointments during Q2 are included in the numbers above, a further breakdown and analysis of the appointments in the first half of 2019 presents some interesting findings in relation to this, the most critical of the board appointments. In our paper last year, "[Corporate Governance Should not be a Numbers Game](#)", we were very critical of the box-ticking approach to measuring "good corporate governance". We made the point that the correct approach to assessing "good" corporate governance also required an examination of those charged with the exercise of that governance. Very simply, the critical criteria for us are whether each of the directors is competent to serve, relevant to the company and able to work with other directors as a team. The key to this is, of course, the chairman. He or she is effectively in command of board appointments, responsible for drawing out each director's contribution and orchestrating the board's oversight of management in delivering shareholder value. Clearly, the selection of the right chairman is critical!

### FTSE 100 Chairmen appointments

In the first half of 2019, the FTSE 100 made 10 chairman changes. Eight of those were external appointments and two, at Melrose and Smurfit Kappa, represented the elevation of longstanding board members to the chair.

All ten of these appointments were men. Of the 94 current chairmen of the FTSE 100 (six of them chair two each), there are only five women. This is not surprising given the historical (pre-Hampton/Alexander) lack of gender diversity amongst the FTSE 100 boards and it will be interesting to see how it develops. It is relevant to note that of the FTSE 100 CEOs, only seven of them are women, almost the same proportion as for chairmen.

### FTSE 250 Chairmen appointments

As for the FTSE 100, the female representation amongst the chairmen ranks of the FTSE 250 companies is very low. Of the 231 chairmen, only 21 (9%) are women and that is only slightly less frightening than the fact that only 3% of the FTSE 250 CEOs are women (see our last report for more on this). In the first half of 2019 there were 21 non-executive chair appointments but only two of them women, Danuta Gray at St Modwen Properties Plc and Sue Inglis at Bankers Investment Trust Plc.

Interestingly and unlike the FTSE 100, the majority of these chairmen appointments were internal elevations. We explored this a little further and found a similar pattern in the full-year 2018 chair appointments with 50% of the FTSE 100 appointments versus 76% of the FTSE 250 appointments coming from then current board members. In the Governance report we published in 2018, we referred to the Ondra study of the underperformance of the FTSE 100 (measured in terms of total shareholder return) linking that to "board composition and governance, particularly non-expert board leadership". During the eighteen year period covered by that study, the FTSE 250 far outperformed the FTSE 100. Morningstar Investment Management in February 2017 quantified this outperformance as "more than 100% over the past fifteen years". It would be fascinating to see if there is any quantifiable advantage in appointing chairmen who are already familiar with the company through some earlier years of service on the board but at this point, we will simply mark the above as an interesting correlation.



## FTSE 100 Board Appointments April to June 2019

### FTSE 100 NON-EXECUTIVE DIRECTORS

**Tarik Al Nabulsi** – NMC Health Plc.

**Mike Anglin** – Antofagasta Plc.

**Marcelo Bastos** – Anglo American Plc.

**Dr. John Bates** – Sage Group Plc.

**Jonathan Bewes** – Sage Group Plc.

**Neil Carson** – Royal Dutch Shell Plc.

**Ian Cockerill** – BHP Group Plc.

**Annette Court** – Sage Group Plc.

**Sherry Coutu** – Pearson Plc.

**Debra Crew** – Diageo Plc.

**Nancy Cruickshank** – Flutter Entertainment Plc.

**Caroline Dowling** – DCC Plc.

**Geoff Drabble** – Ferguson Plc.

**Christophe Evain** – Land Securities Group Plc.

**Margaret Ewing** – International Consolidated Airlines Group SA (IAG).

**Alfredo García** – Coca-Cola HBC AG.

**Sir David Higgins** – United Utilities Group Plc.

**Susan Kilsby** – BHP Group Plc.

**Francisco Larraz** – International Consolidated Airlines Group SA (IAG).

**Dr. Xiaozhi Liu** – Johnson Matthey Plc.

**John Martin** – Ocado Group Plc.

**Kevin O'Bryne** – Centrica Plc.

**Dan Olley** – Hargreaves Lansdown Plc.

**Jambu Palaniappan** – Just Eat Plc.

**Stephen Pearce** – BAE Systems Plc.

**Nicole Piasecki** – BAE Systems Plc.

**Graeme Pitkethly** – Pearson Plc.

**David Robbie** – DS Smith Plc.

**Luis Robles** – Fresnillo Plc.

**Cindy Rose** – WPP Plc.

**Lindsley Ruth** – Ashtead Group Plc.

**Cynthia Schwalm** – Hikma Pharmaceuticals Plc.

**Jonathan Silver** – National Grid Plc.

**Jon Stanton** – Imperial Brands Plc.

**Andy Sukawaty** – Relx Plc.

**David Tang** – Standard Chartered Plc.

**Kevin Thompson** – Spirax-Sarco Engineering Plc.

**Amit Tiwari** – Rightmove Plc.

**Peter Ventress** – Bunzl Plc.



## FTSE 100 EXECUTIVE DIRECTORS

**Stephanie Bruce** – Chief Financial Officer at Standard Life Aberdeen Plc.

**Catherine Faiers** – Chief Operating Officer at Auto Trader Group Plc.

**Karen Witts** – Chief Financial Officer at Compass Group Plc

## FTSE 250 Board Appointments April to June 2019

### FTSE 250 NON-EXECUTIVE DIRECTORS

**Janet Ashdown** – RHI Magnestia NV.

**Alan Ashworth** – Acacia Mining Plc.

**Gill Barr** – McCarthy & Stone Plc.

**John Baxter** – Drax Group Plc.

**Claire Boyle** – Fidelity Special Values Plc.

**Professor Entela Benz-Saliasi** – Vietnam Enterprise Investments Ltd.

**Vijay Bharadia** – Intermediate Capital Group Plc.

**Andrew Broderick** – Wizz Air Holdings Plc.

**Ian Bull** – Domino's Pizza Group Plc.

**Linda Cairnie** – Babcock International Group Plc.

**Ian Cockerill** – Polymetal International Plc.

**Stephen Cohen** – Woodford Patient Capital Trust Plc.

**Richard Cranfield** – Integrafina Holdings Plc.

**Maria Da Cunha** – Royal Mail Plc.

**Graeme Dacomb** – Ferrexpo Plc.

**Susanna Davies** – HICL Infrastructure Plc.

**Nicki Demby** – Essentra Plc.

**Francesca Di Carlo** – Petrofac Ltd.

**Dr. Sally Eyre** – Centamin Plc.

**Maggie Fanari** – RIT Capital Partners Plc.

**Kate Ferry** – Greggs Plc.

**Michael Findlay** – Royal Mail Plc.

**Helena Feltham** – Ted Baker Plc.

**Georgina 'Twink' Field** – Perpetual Income & Growth Investment Trust Plc.

**Louise Fowler** – Assura Plc.

**Melanie Gee** – Syncona Ltd.

**Ron Gould** – Blackrock Smaller Cos Trust Plc.

**Vivien Gould** – Schroder Asia Pacific Fund Plc.

**Deborah Gudgeon** – Acacia Mining Plc.

**Laurie Harris** – IWG Plc.

**Dr. Nicola Hodson** – Beazley Plc.

**Sue Inglis** – NextEnergy Solar Fund Limited.

**Barbara Jeremiah** – Premier Oil Plc.

**Neil Johnson** – Qinetiq Group Plc.

**Sheila Khama** – Tullow Oil Plc.

**John Krumins** – Playtech Plc.

**James Leigh-Pemberton** – RIT Capital Partners Plc.



**Graham Lindsay** – Provident Financial Plc.

**Robert Lister** – Integragin Holdings Plc.

**Adrian Marsh** – Wood Group (John) Plc.

**Anna Massion** – Playtech Plc.

**Kathryn Matthews** – VinaCapital Vietnam Opportunity Fund Ltd.

**Cheryl Millington** – Hays Plc.

**Cheryl Millington** – Intu Properties Plc.

**Dr. Ljiljana Mitic** – Computacenter Plc.

**Fiona Paulus** – RHI Magnestia NV.

**Gilles Petit** – B&M European Value Retail S.A.

**Jamie Pike** – Cobham Plc.

**John Reizenstein** – Beazley Plc.

**Adrian Reynolds** – Acacia Mining Plc.

**Lucinda Riches** – Greencoat UK Wind Plc.

**Andrew Ross** – Witan Investment Trust Plc.

**Genevieve Sangudi** – Tullow Oil Plc.

**David Shearer** – Stobart Group Plc.

**Caroline Silver** – Meggitt Plc.

**David Sleath** – Electrocomponents Plc.

**Kath Smith** – JD Spots Fashion Plc.

**Julia Steyn** – FirstGroup Plc.

**Elisabeth Stheeman** – Edinburgh Investment Trust Plc.

**Sandra Turner** – Greene King Plc.

**Allison Whitney** – BBGI SICAV S.A.

**Dr. Linda Wilding** – BMO Commercial Property Trust Ltd.

**Vicky Williams** – Millennium & Copthorne Hotels Plc.

**Clement Yong Woon** – Morgan Advanced Materials Plc.

**Dr. Linda Yueh** – Fidelity China Special Solutions Plc.

## FTSE 250 EXECUTIVE DIRECTORS

**Ian Botha** – Chief Financial Officer/Financial Director at RHI Magnesita NV.

**Andrew Davies** – Chief Executive at Kier Group Plc.

**Duncan Cooper** – Group Financial Director at Crest Nicholson Holdings Plc.

**Bill Floydd** – Chief Financial Officer at Rank Group Plc.

**Luciana Germinario** – Chief Financial Officer at John Laing Group Plc.

**Lewis Girdwood** – Chief Financial Officer at Stobart Group Ltd.

**Nick MacKenzie** – Chief Executive Officer at Greene King Plc.

**Ryan Mangold** – Chief Financial Officer at FirstGroup Plc.

**Jennifer Mathias** – Group Financial Director at Rathbone Brothers Plc.

**Jacobus du Plessis** – General Counsel at Cobham Plc.

**Stefan Schellinger** – Group Chief Financial Officer at ContourGlobal Plc.

**Eric Updyke** – Chief Executive Officer at Spirent Communications Plc.

**John Worth** – Chief Financial Officer at Hastings Group Holdings Plc.

## About Savannah Group's Board Practice

The Governance practices of companies in many major economies are being challenged, most particularly in the UK. Ticking the boxes on governance does not protect financial integrity, shareholder returns and broader stakeholder interests. Diversity of thought around the board table is critical and more needs to be done to get this right. A key role of the Chairman is to ensure that all of the competencies required for effective governance are represented by talented individuals who bring that diversity, understand their role and are capable of making the necessary contribution.

At Savannah Group, we have the proven experience, knowledge and intelligence to advise and assist Chairmen and shareholders in building effective boards.



[Damian Walsh](#)

**Lead Partner**

In an international career spanning some 35 years, Damian has worked with leadership teams across multiple geographies and sectors and brings insight into effective governance and leadership. He has advised boards of FTSE100, FTSE250, AIM, ASX40, Euronext and large privately held corporations, often at challenging stages of their life cycle. Until very recently, he was also Non-Executive Director of one of the largest companies in the UK.



[John Ellis](#)

**Partner**

John is the Chairman of Savannah Group. He has over 20 years' experience in executive search. He specialises in corporate governance best practices and works with public, private and private equity-owned businesses in a range of markets, recruiting Board Chairmen and Non-Executive Directors.



[Lisa Gerhardt](#)

**Partner**

Lisa is a prominent voice in the executive search industry WITH nearly 20 years' experience across multiple sectors. She brings deep expertise in cross-border recruitment and an extensive personal network. Lisa has led the development of Savannah's bespoke assessment tool and contributes her assessment expertise to Board & CEO level searches.



[Tony Simpson](#)

**Partner**

Tony is a former AIM-listed CEO who has led organisations of scale and stature in Europe and the Middle East. He leads the firm's Diversity programme. Tony's clients include many of the world's leading businesses and their governing bodies. His understanding of how leadership teams operate at board level has contributed to the transformation of many organisations.