



SAVANNAH Q1 2020 BOARD REVIEW

An analysis of the FTSE 100 & FTSE 250 Executive and
Non-Executive Board appointments in Q1 2020



INTRODUCTION

I am pleased to present our analysis of the board appointments to the FTSE 100 and FTSE 250 listed companies in the first quarter of 2020. **Our 2019 report** tracked the appointments in that year and trends over a longer term. The quarter by quarter analysis showed the interesting correlation between the increasing Brexit driven uncertainty and executive leadership changes in the UK's biggest public companies. We also showed the clear success of the drive for gender diversity, supported by multiple stakeholders including government, proxy advisers and lobbying groups.

In this report, we will, as usual, look at the breakdown of non-executive and executive director

appointments and, as we have done in past reports, list the individuals behind those numbers. We will also look at the gender diversity numbers so we can continue to report on that trend. And for the first time we try to assess the impact of the Government backed Parker Review in 2017 on ethnic diversity in the UK boardrooms. Unlike gender diversity, however, ethnic diversity is not binary and so difficult to assess and, other than the Parker Review Committee, lacks the protagonists and lobbyists to beat the drum loudly enough.

The Report into the Ethnic Diversity of UK Boards, led by Sir John Parker, one of the UK's most respected businessmen, was published in late 2017 and was



very critical of the lack of “people of colour”, now more commonly Black, Asian & Ethnic Minority (BAME), representation on the boards of the biggest UK companies. It found that “only about 2% of all FTSE 100 Board Directors are UK citizen people of colour” and set the very specific objective that every FTSE 100 company would have at least one “non-white” director by 2021 and every FTSE 250 company would have at least one non-white director by 2024. The 2% calculation probably understates the position in the UK because it was assessed against the pool of FTSE 100 directors, many of which are not UK businesses. But this is a moot point. It was still a woefully low starting point.

In February of this year, the Parker Review published an update stating that “sufficient progress has not been made”, largely because of “inertia” driven by the view that “race and ethnicity are the most difficult things to talk about in the United Kingdom, for good and bad reasons – they are just too hard and too sensitive.” That lack of progress is made abundantly clear in the updated Report’s finding that across the whole of the FTSE 350, the number of non-white UK citizens on the boards (non-executive and executive directors) was still only 2.3%. Again, the result would be marginally higher if the non-UK companies were excluded but it would still be very low and confirmation of little progress. It would make sense to exclude the non-UK companies. Take Antofagasta, the Chilean copper mining company, as one example. With HQ in Chile and no operations or real market interests in the UK, its board of directors is not, and should not be, structured to reflect the ethnic make-up of the UK!

The update Report notes, “the overall ambition looks very challenging”. Indeed, in our Q1 2020 findings, there were no non-white British citizens amongst the 38 executive and non-executive director appointments to the FTSE 100 companies. At the FTSE 250 boards in this same period, of the 75 appointments only two were from BAME backgrounds. In other words, in Q1 2020, the period in which the Parker Review update was published, only 1.8% of the people appointed to the FTSE 350 boards are Black, Asian or Minority Ethnic.

Tackling the gender diversity challenge, the Hampton-Alexander Review first reported in 2016, a year ahead of the Parker Review, and progress has been significant as discussed extensively in our past reports. We are not seeing anywhere near the same progress on the BAME challenge. A different approach is required. Tony Simpson, a member of the Savannah Group Board Practice and leader of our Diversity Practice, reinforces the magnitude of the challenge and points to the failure of implementation of the Parker Review recommendations and the need for an advisory group working with all stakeholders to maintain a focus on the issue. The executive search industry is one of those stakeholders.

Away from ethnic diversity, in this report we have also taken a look at the Chairman appointments in Q1 and for the first we report on the proportion of internal (i.e. existing board members elevated to the chairman post) vs external appointments. The findings, later in this report, are interesting and this is something we will track in future reports.

As with all of our reports, we are using BoardEx as our primary source. We edit the raw data to exclude, for example, internal promotions such as NED to SID or to Chair and non-independent shareholder employee appointments. I hope you find our report interesting and relevant.



Damian J Walsh FCA

Head of Board & CEO Practice

a: 8 Old Jewry, London, EC2R 8DN

m: +44 (0) 776 967 2037

e: dwalsh@savannah-group.com

Q1 2020

SUMMARY

There were 113 appointments to the boards of the FTSE 350 companies comprising 19 executive directors and 94 non-executive directors. Five (26%) of the executive director appointments were female while 56 (60%) of the non-executive director appointments were female. As already mentioned, of all of these appointments, only two were BAME British citizens, both non-executive director appointments to FTSE 250 companies.

NON-EXECUTIVE DIRECTORS

In Q1, the FTSE 100 companies appointed 31 non-executive directors including 16 (52%) women and one new chairman, Andrew Fischer, who joined Rightmove Plc as an external appointment on 1 January 2020.

The FTSE 250 companies made 63 non-executive director appointments of which 40 (63%) were women. This continues the increasing dominance of female appointments to the FTSE 250 boards that we tracked through each quarter of 2019 bringing the current proportion of female representation amongst the non-executive directors in the FTSE 250 to 36% up from 35% at the time we wrote our 2019 report.

Included in the numbers for the FTSE 250 NED appointments are three new chairmen, Mike McTighe (IG Group), Matt Shattock (Domino's Pizza) and Greg Lock (Micro Focus) along with four "chairman designate" appointments. The latter includes Dame Inga Beal as chairman designate at Mediclinic International Plc and her debut into the big UK Plc boards.

Chart 1
Q1 2020 FTSE 100
NED APPOINTMENTS

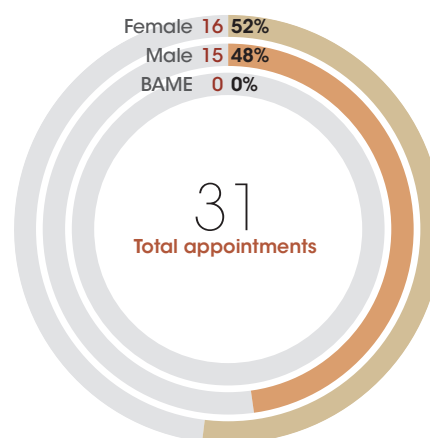


Chart 2
Q1 2020 FTSE 250
NED APPOINTMENTS

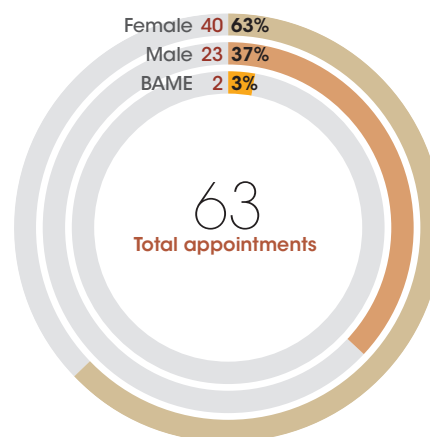
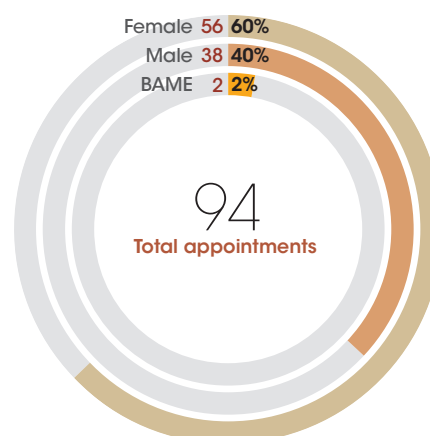


Chart 3
Q1 2020 FTSE 350
NED APPOINTMENTS





EXECUTIVE DIRECTORS

In Q1, the FTSE 100 appointed seven executive directors, all male, three CEOs and four CFOs. Of the 12 executive directors appointed to the FTSE 250 boards, five were women. There was only one new CEO appointment, Iain McPherson, an internal promotion at Countrywide Properties Plc, along with five CFOs and six others (COOs, CDOs, divisional MDs, etc.). Readers will recall from our 2019 report, that top leadership changes declined quarter by quarter mirroring the worsening social, economic and political uncertainty around Brexit and the 19 appointments in Q1 can be seen against only six executive director appointments in Q4 2019, a healthy jump.

It is going to be interesting to track the impact of the covid-19 pandemic on top leadership changes in Q2 and later periods. The Executive Search market slowed as the crisis deepened with a number of active searches either put on hold or, in some sectors, cancelled completely. This was somewhat balanced by an increase in demand for Interim Executives to assist with crisis response initiatives or to add additional leadership capability. In our private discussions with chairmen and other directors, however, we are hearing that leadership changes will certainly follow as businesses emerge into the "new normal". Our many conversations with chairmen and CEOs during the lockdown, are reflected in our recently released "Market Insights" report. Access the report [here](#).

We have written extensively on the "executive director gap" and the lack of real progress in getting more women into the top executive positions. This quarter, we are reporting that 26% of the executive director appointments to the FTSE 350 companies were women. Given that only 12% of the total population of FTSE 350 executive directors are female, this represents some progress but there is a long road ahead.

Chart 4
Q1 2020 FTSE 100
ED APPOINTMENTS

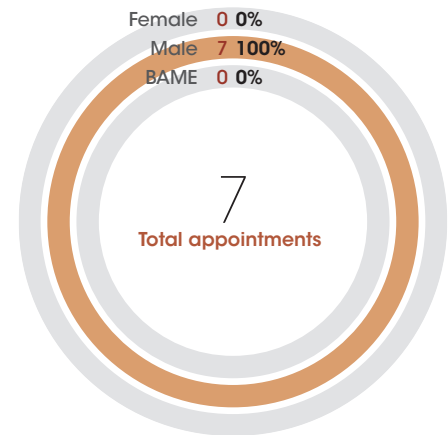


Chart 5
Q1 2020 FTSE 250
ED APPOINTMENTS

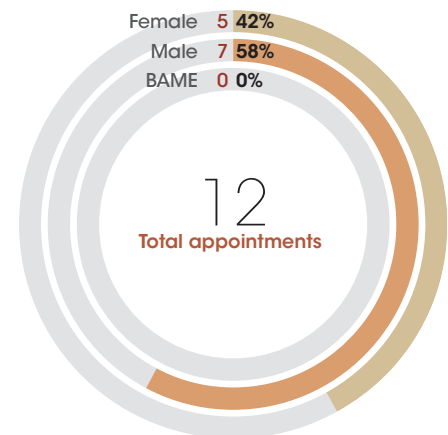
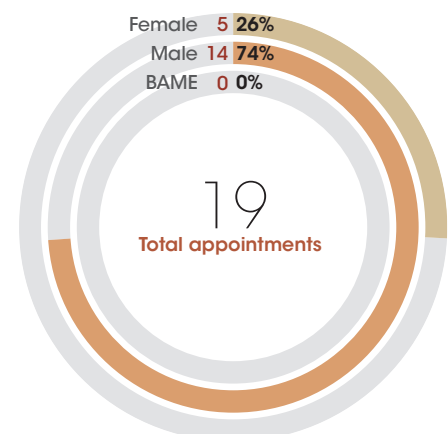


Chart 6
Q1 2020 FTSE 350
ED APPOINTMENTS





BLACK, ASIAN & MINORITY ETHNIC APPOINTMENTS

As we noted above, there were no BAME appointments to the FTSE100 boards and only two to the FTSE 250 boards in Q1. Just for emphasis, that is 1.8% of all of the appointments. Note that we are focused only on BAME appointments to the boards of UK companies listed in the FTSE 350 and we have not counted non-white non-citizens appointed to the boards of non-UK headquartered companies.

FIRST TIME APPOINTMENTS

In our last report we noted that a high proportion (46%) of the FTSE 350 non-executive appointments were “first time appointments” – i.e. people who had not previously sat on a FTSE 350 listed board or an international equivalent and we said we would monitor this in future reports. In Q1 2020, that number fell away to 34%. We probably shouldn’t read too much into this given that none of these “first time” appointments are novices, many having been CEOs and executive directors of major corporations for many years.

CHAIRMAN SUCCESSION

When boards are planning for chairman succession, the responsibility to lead the process normally falls to the Senior Independent Director, unless he/she declares themselves as a candidate. The Nominations committee will weigh internal candidates against external candidates. In our next report, we will look more closely at chairman succession over a longer timeframe to understand the balance between internal and external appointments. For Q1 2020, we can tell you that the FTSE 100 made seven chairman changes, three internal and four external appointments. The FTSE 250 made ten chairman changes, four internal and six external. On these small numbers it is difficult to say definitively that there is a preference for external appointment over internal promotion but we will examine a longer historical period and start to track this going forward in future reports.



Here are the names of the people appointed to the FTSE 350 boards in Q1 2020.

FTSE 100 ED	
Andy Briggs	PHOENIX GROUP HOLDINGS plc
Mike Henry	BHP GROUP plc
Michael Gleeson	WM MORRISON SUPERMARKETS plc
Richard Howes	BUNZL plc
Bernard Looney	BP plc
John Rogers	WPP plc
Jamie Warner	AUTO TRADER GROUP plc

FTSE 250 ED	
Iain McPherson	COUNTRYSIDE PROPERTIES plc
Benjamin Guyatt	FORTERRA PLC
Ronald Hundzinski	TI FLUID SYSTEMS plc
Alison Henriksen	GENUS plc
Andrew Parsons	JUST GROUP plc
Natalie Kershaw	LANCASHIRE HOLDINGS Ltd
Jonathan Gunby	INTEGRAFIN HOLDINGS plc
Tom Nicholson	CREST NICHOLSON HOLDINGS plc
Graham Prothero	VISTRY GROUP plc
Kate Tinsley	IBSTOCK plc
Michelle McGrath	CAPITAL & COUNTIES PROPERTIES plc
Joanne Musselle	HISCOX Ltd

FTSE 100 NED	
Andrea Abt	POLYMETAL INTERNATIONAL plc
Jeremy Anderson	PRUDENTIAL plc
Dominic Blakemore	LONDON STOCK EXCHANGE GROUP plc
Amanda Blanc	AVIVA plc
Catherine Bradley	EASYJET plc
Pam Cheng	SMITHS GROUP plc
Sir Ian Cheshire	BT GROUP plc
Mark Culmer	ROLLS-ROYCE HOLDINGS plc
Sandrine Dufour	WPP plc
Jill Easterbrook	ASHTAD GROUP plc
Dr Mohamed A. El-Erian	BARCLAYS plc
Andrew Fisher	RIGHTMOVE plc
Victor Flores	POLYMETAL INTERNATIONAL plc
Hinda Gharbi	RIO TINTO plc
Dr Brian Gilvary	BARCLAYS plc
Gary Goldberg	BHP GROUP plc
Emma Griffin	ST JAMES'S PLACE plc
William de Haast	INTERCONTINENTAL HOTELS GROUP plc
Liz Hewitt	NATIONAL GRID plc
Tony Jensen	ANTOFAGASTA plc
Kalidas Madhavpeddi	GLENCORE plc
Dame Helena Morrissey	ST JAMES'S PLACE plc
Heidi Mottram	CENTRICA plc
Jennifer Nason	RIO TINTO plc
Nonkululeko Nyembezi	ANGLO AMERICAN plc
Dr María de Lourdes Melgar Palacios	SMURFIT KAPPA GROUP plc
John Ramsay	CRODA INTERNATIONAL plc
Alexandra Schaapveld	3I GROUP plc
John Troiano	HARGREAVES LANSDOWN plc
Dr Matthew Westerman	SCHRODERS plc
Catherine Woods	LLOYDS BANKING GROUP plc

“It is going to be interesting to track the impact of the covid-19 pandemic on top leadership changes in Q2 and later periods. The Executive Search market slowed as the crisis deepened with a number of active searches either put on hold or, in some sectors, cancelled completely.”

**FTSE 250 NED**

Rita Akushie	HICL INFRASTRUCTURE plc	Gregory Lock	MICRO FOCUS INTERNATIONAL plc
Meredith Amdur	FUTURE plc	Birgitte Madsen	WOOD GROUP plc
Ingrid-Helen Arnold	TUI AG	Sir Laurie Magnus	CITY OF LONDON INVESTMENT TRUST plc
Dame Inga Beale	MEDICLINIC INTERNATIONAL plc	Brian May	CONVATEC GROUP plc
Lucinda Bell	MAN GROUP plc	Ali Mazanderani	NETWORK INTERNATIONAL HOLDINGS plc
Michael Burke	PETS AT HOME GROUP plc	Alison McGregor	FIDELITY SPECIAL VALUES plc
Sally Cabrini	FIRSTGROUP plc	Dr Rosheen McGuckian	GRAFTON GROUP plc
Maria Corces	TUI AG	Robert Michael McTighe	IG GROUP HOLDINGS plc
Stephanie Coxon	APAX GLOBAL ALPHA Ltd	David Monks	BREWING DOLPHIN HOLDINGS plc
Michelle Cracknell	JUST GROUP plc	Octavia Morley	MARSTON'S plc
Angela Crawford-Ingle	TP ICAP plc	Alison Morris	PARAGON BANKING GROUP plc
Sarah-Jane Curtis	TR PROPERTY INVESTMENT TRUST plc	John O'Higgins	ELEMENTIS plc
Sally-Ann David	INTERNATIONAL PUBLIC PARTNERSHIPS Ltd	Joanne Peacegood	NEXTENERGY SOLAR FUND LIMITED
Patricia Dimond	LXI REIT plc	Nichola Pease	JUPITER FUND MANAGEMENT plc
Josephine Dixon	ALLIANCE TRUST plc	Alison Platt	DECHRA PHARMACEUTICALS plc
Vanessa Donegan	JPMORGAN INDIAN INVESTMENT TRUST plc	Quintin Price	F&C INVESTMENT TRUST plc
Caroline Dowling	IMI plc	Sir Mark Rogers	FIDELITY EUROPEAN VALUES plc
Anil Dua	NETWORK INTERNATIONAL HOLDINGS plc	James Rutherford	CENTAMIN plc
Tove Feld	THE RENEWABLES INFRASTRUCTURE GROUP Ltd	Liz Shanahan	UDG HEALTHCARE plc
Christopher Fry	UK COMMERCIAL PROPERTY REIT Ltd	Matthew Shattock	DOMINO'S PIZZA GROUP plc
Julia Hailes	BIG YELLOW GROUP plc	Manuel Sousa-Oliveira	BLACKROCK WORLD MINING TRUST plc
Gordon Hardie	GREENCORE GROUP plc	Helen Stevenson	IG GROUP HOLDINGS plc
Mark Hemsley	TP ICAP plc	Bruce Thompson	AVON RUBBER plc
Samantha Hoe-Richardson	3I INFRASTRUCTURE plc	Jennifer Tippin	MORGAN SINDALL GROUP plc
Geraldine Huse	DIPLOMA plc	Heike Truöl	CLARKSON plc
Victoria Jarman	GREAT PORTLAND ESTATES plc	Supriya Uchil	MONEYSUPERMARKET.COM GROUP plc
Alexandra Jensen	INCHCAPE plc	Helen Weir	GREENCORE GROUP plc
Nigel Keen	PPHE HOTEL GROUP Ltd	Jeremy Whitley	JPMORGAN INDIAN INVESTMENT TRUST plc
Philip Keller	JOHN LAING GROUP plc	Sally Williams	CLOSE BROTHERS GROUP plc
Alan Kinnear	FDM GROUP PLC	Suzanne Williams	WORKSPACE GROUP plc
Cecelia Kurzman	MAN GROUP plc	Nicholas Winsor	SCHRODER ORIENTAL INCOME FUND Ltd
Meriel Lenfestey	INTERNATIONAL PUBLIC PARTNERSHIPS Ltd		



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 Chairmen and shareholders in building effective boards and top management teams. To discuss how we can help, please contact one of our Board Practice members.



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, TSX, Euronext and large privately held corporations, often at challenging stages of their life cycle. Until very recently, he was also a Non-Executive Director of one of the largest companies in the UK.



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."



Lisa Gerhardt
Partner

After an early career in industry, Lisa is now a prominent voice in the executive search industry, Lisa has 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.