



SAVANNAH Q2 2021 BOARD REVIEW

An analysis of the FTSE 100 and FTSE 250 executive and non-executive board appointments in Q2 2021



INTRODUCTION

The UK economy sprung back to life in the second quarter as the government's phased reopening plan saw the return of non-essential retail and outdoor hospitality in April followed by indoor hospitality and some events in May. Though England's so-called 'Freedom Day', removing all remaining legal restrictions, was delayed by four weeks, pushing it into Q3, it didn't blight the growing optimism among UK businesses, which for many has been brewing since Q1.

They have much to be optimistic about, not least the IMF's recent validation that our economy is rebounding much faster than expected. Along with the US, Britain will grow 8 per cent this year, which is faster than any other advanced economy globally, according to the IMF, and an upgrade on

its earlier forecast of 5.3 per cent just a few months ago. Bolstered by its rapid vaccine rollout and strong state support during the pandemic, the IMF anticipates the UK will return to pre-pandemic levels by early 2022, a year in which it will grow by a further 4.8 per cent.

Regular readers will recall the optimism was already reflected in a spectacular start to the year in terms of board activity, with a 32 per cent year-on-year uplift in FTSE 250 appointments in Q1 and a 39 per cent surge in FTSE 100 appointments. If the trend continued, I noted, we were in for a buoyant year. Having crunched the data from Q2, however, the results are more mixed.

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Q2 2021

LEVELLING OFF

In essence, it's a tale of two halves, amounting to an overall levelling off from the spike in board appointments seen in Q1. In the FTSE 100, appointments remained strong in Q2, pipping Q1's total of 51 by two and recording a 26% increase on Q2 2019, though a 5% year-on-year drop.

Broken down, we witnessed a highly active quarter of ED appointments, with the 10 announced nearly three times that of Q1 2021, a 25% year-on-year increase and almost four times that of the same quarter in 2019. Activity among NED appointments in the FTSE 100, however, was less noteworthy; 9% down on the last quarter, 12% down on Q2 2020 and 10% down on Q2 2019.

In the FTSE 250, it was a different story altogether, with activity considerably down across both ED and NED appointments. Overall, the 67 board appointments in the FTSE 250 through the quarter just gone was 24% lower than the previous quarter, 3% up on Q2 2020 and a 14% drop from Q2 2019. Though NED activity contributed to the decline, the lowest activity was among ED appointments, which were 56% down on the last quarter and 65% year on year.

The contrast between FTSE 100 and FTSE 250 appointments is an interesting dynamic to observe. An obvious conclusion to make is the larger, more globally-oriented companies in the FTSE 100 are boldly adjusting their personnel holding crucial executive posts as they seek to reposition the company for a period of growth. But could the smaller, more domestically-focused FTSE 250 businesses be seeking to stabilise board representation, both among ED and NED positions, as uncertainty continues to prevail through the year? Given the highly active start to the year across the FTSE 350, we must not also ignore the stronger likelihood of recalibration.

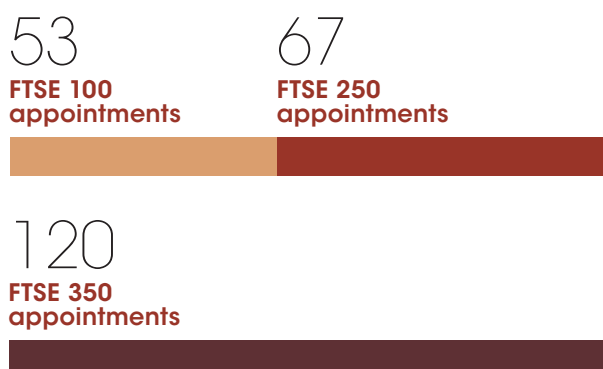


Chart 1
Q2 2021 APPOINTMENTS

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NOTABLE APPOINTMENTS

Delving deeper into the 10 executive director appointments in the FTSE 100 through the Q2 2021 period, there are several of particular note. Seven were CFO appointments, including Imran Nawaz, who joined Tesco from Tate & Lyle, ex-Deloitte partner Panos Kakoullis at Rolls-Royce, and ex-KPMG partner Stephen Oxley at chemicals firm Johnson Matthey. Vanessa Simms, the only female on the list, joined property developer Land Securities Group from Grainger, while Peter Cunningham's interim CFO role at Rio Tinto was made permanent.

There were two FTSE 100 chief executive appointments in the quarter, with Royal Mail appointing Martin Seidenberg to head up GLS, its European parcels business, and Paul Keel taking over as boss of engineering company Smiths Group following 16 years at 3M.

In a busy quarter for Tesco, the UK's biggest supermarket chain also made three NED appointments in Karen Whitworth, a former Sainsbury's executive, Kingfisher chief executive Thierry Garnier and Bertrand Bodson, a former chief digital and marketing officer at Sainsbury's Argos. Mining firm Evraz, insurance firm Prudential, packaging group Mondi and investment company Pershing Square Holdings joined the club in each also appointing three new NEDs.

Elsewhere, other notable NED appointments in the FTSE 100 included tech entrepreneur Ewan Kirk at defence giant BAE Systems, Schneider Electric CFO Hilary Maxson at Anglo American, physician and healthcare entrepreneur Anne Beal at GSK and former Bupa boss Evelyn Bourke at Admiral Group. Julia Wilson, group finance director at PE firm 3i Group, joined Barclays.

The seven ED appointments in the FTSE 250 were all CFOs. Among them, Nigel Crossley was promoted from group director of finance at Serco, following Angus Cockburn's retirement, and Neil Manser was promoted at Direct Line. Simon Kirkpatrick joined Mitie from Balfour Beatty while UK outsourcer Capita announced its new CFO is Tim Weller, former finance chief of G4S.

Chart 2
Q2 2021
FTSE 100
CHAIR
APPOINTMENTS

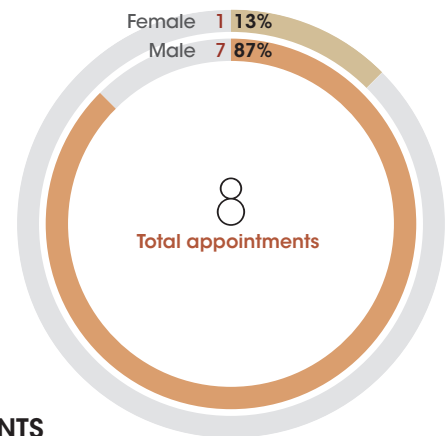


Chart 3
Q2 2021
FTSE 250
CHAIR
APPOINTMENTS

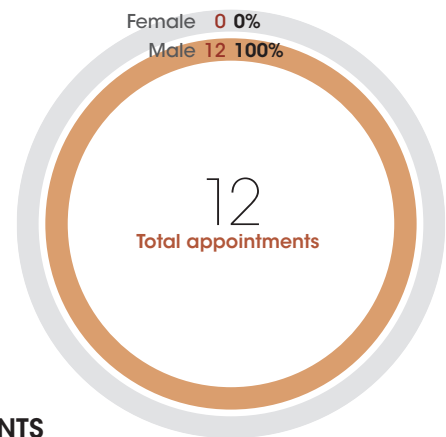
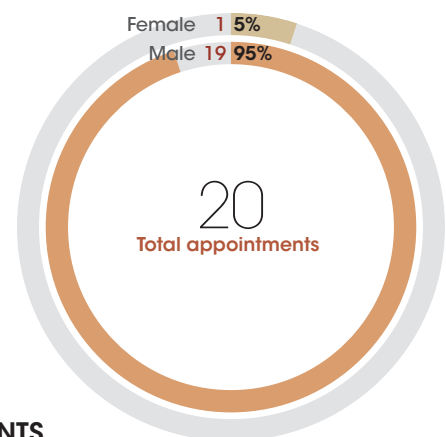


Chart 4
Q2 2021
FTSE 350
CHAIR
APPOINTMENTS





There were no female ED appointments in the FTSE 250, a point I will come onto shortly, and fewer female NED appointments, just 32, than we've come to expect too. Among the latter were Mars Food global president Fiona Dawson at Marks & Spencer, Yell CEO Claire Miles at Biffa, transportation veteran Carolyn Flowers at National Express and Vodafone director Kathy-Ann Quashie at Morgan Sindall. Nicky Newton-King, the first female CEO of the Johannesburg Stock Exchange, joined Investec, and Google exec Rachael Palmer joined the board at Baillie Gifford.

Of the 12 new chair appointments in the FTSE 250, which included NED chair Mark Breuer at Derwent, none were women. There was one female chair appointment in the FTSE 100, however, with Paula Reynolds becoming the first female chair of National Grid. Other FTSE 100 chair appointments included former MasterCard chair Rick Haythornthwaite at Ocado and ex Cabinet Office Permanent Secretary John Manzoni at SSE.

GENDER REPRESENTATION

As already alluded to, female representation among executive director appointments in both the FTSE 100 and FTSE 250 was disappointingly low in the second quarter of 2021. The huge lack of female executive appointments, in comparison to female NED appointments, is something we have highlighted regularly through our reports. While we hope the data from Q2 2021 is only a blip, it is concerning that the lack of FTSE executive diversity shows very little sign of improving.

The Financial Conduct Authority (FCA) would appear to share these concerns. The regulator has revealed new proposals to mandate public companies with fewer than two female directors out of five to explain why to investors in an annual statement. Under the new rules, the FCA wants at least one of the posts of chairman, CEO, finance director or senior independent director to be held by a woman, while further proposed changes to the listings regime would require companies to also have at least one director from an ethnic minority background.

Chart 5
Q2 2021
FTSE 100
NED
APPOINTMENTS

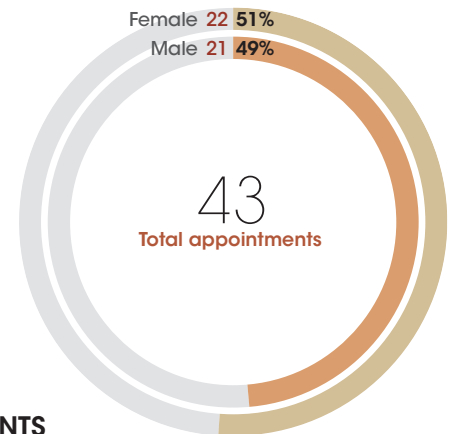


Chart 6
Q2 2021
FTSE 250
NED
APPOINTMENTS

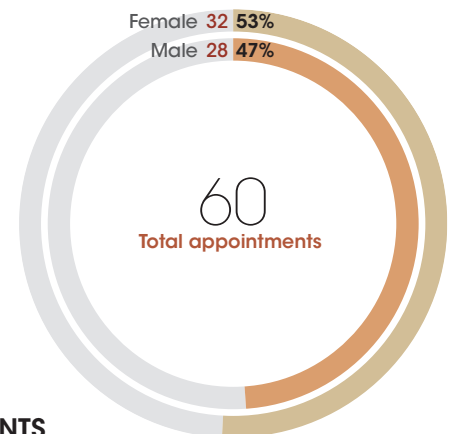
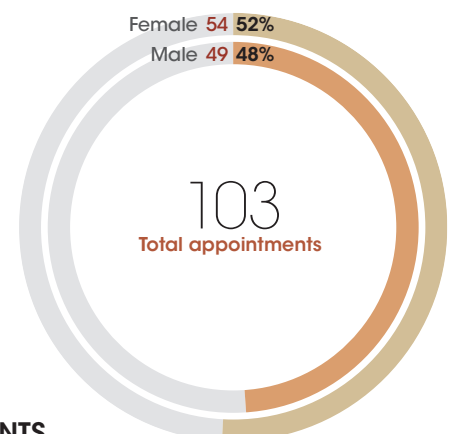


Chart 7
Q2 2021
FTSE 350
NED
APPOINTMENTS





Though these proposals are still only under consultation, they will no doubt have grabbed the attention of PLC boards. At Savannah, we believe that diversity at all levels of organisations, but particularly executive leadership, is crucial to maximising value for all stakeholders. While some board directors will disagree with the FCA's proposed "comply or explain" rules, it may be the impetus required to accelerate the very slow progress being made in executive PLC diversity.

The concerns in recent months that gender diversity progress has stalled is reflected in our data, at least at executive level. Sir Philip Hampton, who co-authored the Hampton review of women on boards, said: "Great progress has been made in non-executive roles so it's now most important to see diversity in senior executive positions. Top executives on public company boards are very male and white." Companies mustn't forget the complaints in Sir John Parker's official review last year of the slow progress on representation of ethnic minorities, either.

It should be reiterated that female representation at NED level has improved dramatically in recent years, and continued to hold firm in the second quarter of 2021. There were 22 female NED appointments in the FTSE 100, compared to 21 male appointments, and 32 female NED appointments in the FTSE 250, compared to 28 male. But it's important that companies don't claim they have diverse leadership when their female executive representation is still poor.

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 interesting and relevant.

Chart 8
Q2 2021
FTSE 100
ED
APPOINTMENTS

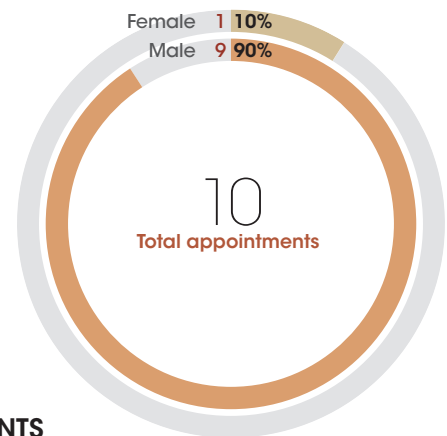


Chart 9
Q2 2021
FTSE 250
ED
APPOINTMENTS

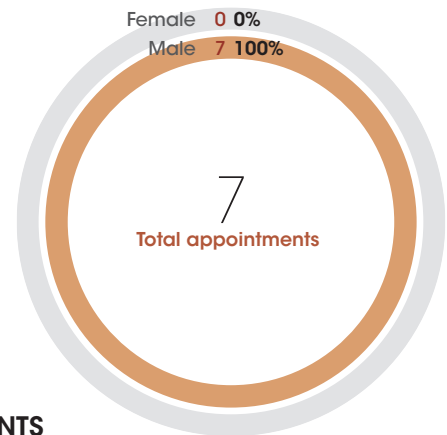
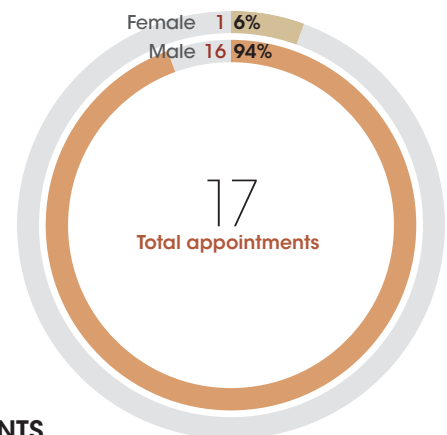


Chart 10
Q2 2021
FTSE 350
ED
APPOINTMENTS





Here are the names of the people appointed to the FTSE 350 boards in Q2 2021.

FTSE 100 ED	
Imran Nawaz	TESCO plc
Jim Mintern	CRH plc
Jonathan Timmis	INTERTEK GROUP plc
Lukas Paravicini	IMPERIAL BRANDS plc
Martin Seidenberg	ROYAL MAIL plc
Panos Kakoullis	ROLLS-ROYCE HOLDINGS plc
Paul Keel	SMITHS GROUP plc
Peter Cunningham	RIO TINTO plc
Stephen Oxley	JOHNSON MATTHEY plc
Vanessa Simms	LAND SECURITIES GROUP plc

FTSE 250 ED	
Himanshu Raja	HAMMERSON plc
Jaideep Paul	AIRTEL AFRICA plc
Neil Manser	DIRECT LINE INSURANCE GROUP plc
Nigel Crossley	SERCO GROUP plc
Oskar Zahn	XP POWER LTD
Simon Kirkpatrick	MITIE GROUP plc
Tim Weller	CAPITA plc

FTSE 100 NED	
Adrian Hennah	SAINSBURY plc
Andy Duff	SAGE GROUP plc
Dame Angela Strank	MONDI plc
Dr Anne Beal	GLAXOSMITHKLINE plc
Ashok Valiram Vaswani	LONDON STOCK EXCHANGE GROUP plc
Bertrand Bodson	TESCO plc
Bill Roberts	ADMIRAL GROUP plc
Chua Sock Koong	PRUDENTIAL plc
Dharmash Mistry	HALMA plc
Evelyn Bourke	ADMIRAL GROUP plc
Dr Ewan Kirk	BAE SYSTEMS plc
Heather Lawrence	MELROSE INDUSTRIES plc
Héctor Domene	FRESNILLO plc
Hilary Maxson	ANGLO AMERICAN plc
Holly Koepfel	FLUTTER ENTERTAINMENT plc
Jane Holl Lute	ROYAL DUTCH SHELL plc
Jeanette Wong	PRUDENTIAL plc
Jim Rutherford	EVRAZ plc
Jonathan Howell	EXPERIAN plc
Julia Wilson	BARCLAYS plc
Karen Whitworth	TESCO plc
Kelly Baker	FERGUSON plc
Dr Linda Yueh	SEGRO plc
Maria Parot	ANTOFAGASTA plc

FTSE 100 NED	
Matthew Lester	INTERMEDIATE CAPITAL GROUP plc
Maurice Lam	INTERNATIONAL CONSOLIDATED AIRLINES GROUP SA
Ming Lu	PRUDENTIAL plc
Nancy Dubuc	FLUTTER ENTERTAINMENT plc
Nilufer von Bismarck	LEGAL & GENERAL GROUP plc
Peter McKellar	3I GROUP plc
Rupert Morley	PERSHING SQUARE HOLDINGS LTD
Sandy Stash	EVRAZ plc
Sarah Sands	BERKELEY GROUP HOLDINGS plc
Sarosh Mistry	RENTOKIL INITIAL plc
Simon Fraser	SEGRO plc
Stephen Odell	EVRAZ plc
Sue Clark	MONDI plc
Dr Svein Brandtzaeg	MONDI plc
Thierry Garnier	TESCO plc
Tope Lawani	PERSHING SQUARE HOLDINGS LTD
Tracy Palandjian	PERSHING SQUARE HOLDINGS LTD
Tsega Gebreyes-Lalude	LONDON STOCK EXCHANGE GROUP plc
Vicky Jarman	MELROSE INDUSTRIES plc

**FTSE 250 NED**

Adrian Peace	ESSENTRA plc
Avis Darzins	MARSHALLS plc
Brian Mattingley	PLAYTECH plc
Brian Stevenson	INVESTEC plc
Carolyn Flowers	NATIONAL EXPRESS GROUP plc
Charles Allen, Lord Allen of Kensington, CBE	BALFOUR BEATTY plc
Chris van der Kuyl	BAILLIE GIFFORD US GROWTH TRUST plc
Chris Waples	BBGI GLOBAL INFRASTRUCTURE SA
Claire Miles	BIFFA plc
Clare Askem	LAW DEBENTURE CORP plc
Damien Maltarp	MERCANTILE INVESTMENT TRUST plc
David Cruickshank	JUPITER FUND MANAGEMENT plc
Dean Finch	DIPLOMA plc
Denise Goode	DECHRA PHARMACEUTICALS plc
Dinggui Gao	VESUVIUS plc
Dr Anthony Radev	WIZZ AIR HOLDINGS plc
Dr Ashley Steel	VISTRY GROUP plc
Dr Ashley Steel	CINEWORLD GROUP plc
Dr Kevin Carter	HENDERSON SMALLER COMPANIES INVESTMENT TRUST plc
Dr Ravi Gopinath	SPECTRIS plc
Dr Sam Barrell	ASSURA plc
Emma Cariaga	ASSURA plc
Fiona Dawson	MARKS & SPENCER GROUP plc
Habib Annous	HAMMERSON plc
Heath Drewett	TRAVIS PERKINS plc
Helen Beck	ASHMORE GROUP plc
Irene Brown	LANCASHIRE HOLDINGS LTD
Prof Dr Jacob Frenkel	PLUS500 LIMITED
Jane Lodge	FIRSTGROUP plc
Jann Brown	RHI MAGNESITA NV

FTSE 250 NED

Jasandra Nyker	INVESTEC plc
Prof Jason Chin	GENUS plc
Joanna Hall	BREWING DOLPHIN HOLDINGS plc
Joanne Harris	ASCENTIAL plc
John Martin	COUNTRYSIDE PROPERTIES plc
Joe Hurd	TRUSTPILOT GROUP plc
Katie McAlister	RANK GROUP plc
Kathy-Ann Quashie	MORGAN SINDALL GROUP plc
Leigh-Ann Russell	HILL & SMITH HLDGS plc
Liz Barber	CRANSWICK plc
Magdalene Miller	TEMPLETON EMERGING MARKETS INVESTMENT TRUST plc
Maggie Buggie	SPIRENT COMMUNICATIONS plc
Marie-Helene Ametsreiter	RHI MAGNESITA NV
Mikhail Irzhevsky	PETROPAVLOVSK plc
Mohamed Elsarky	GREGGS plc
Nayantara Bali	INCHCAPE plc
Nick Melhuish	MURRAY INTERNATIONAL TRUST plc
Nicky Newton-King	INVESTEC plc
Noel Gordon	ASSURA plc
Pars Purewal	BREWING DOLPHIN HOLDINGS plc
Pat Corsi	TATE & LYLE plc
Peter Hames	VINACAPITAL VIETNAM OPPORTUNITY FUND LTD
Peter Lynas	FIRSTGROUP plc
Rachael Palmer	BAILLIE GIFFORD US GROWTH TRUST plc
Rachel Beagles	MERCANTILE INVESTMENT TRUST plc
Rain Newton-Smith	F&C INVESTMENT TRUST plc
Richard Akers	REDROW plc
Vania Schlogel	HIPGNOSIS SONGS FUND LTD
Vineet Bhalla	C&C GROUP plc
Zarin Patel	PETS AT HOME GROUP plc



ABOUT SAVANNAH GROUP'S BOARD PRACTICE

Savannah Group has the proven experience, knowledge and intelligence to advise and assist Chairs, CEOs, HRDs 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.