

NB : BOARD REVIEW

2014

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2014 EXECUTIVE SUMMARY

The publication of Lord Davies of Abersoch's report on board diversity in 2011 was a wake-up call for UK businesses. In it, he recommended that 25% of boards in FTSE 100 companies should be female by 2015.

On the whole, listed companies are making impressive progress in working towards this target. However, our survey of more than 1,700 companies – from FTSE 100 giants to the growing businesses on smaller-cap markets – shows that this progress is not as widespread as it could be.

Companies listed on the Alternative Investment Market (AIM), in particular, are lagging behind in terms of gender diversity. Over the past three years, only 6.6% of new recruits to Non-Executive Director (NED) positions were women, compared to around 25% of Non-Executive Directors overall.

These companies, often backed by investors or venture capital vehicles, clearly have to do more to demonstrate they are drawing Executive candidates from the widest possible pool. Investors are increasingly demanding greater transparency around recruitment practices, and more and more larger companies stipulate they will limit whom they work with if they fail to meet exacting diversity standards.

But while gender diversity attracts a lot of focus, the age profile of boards in UK Listed companies has barely changed. While a few exceptions drag the overall age average down in certain markets, most Chairmen and Non-Executive Directors tend to be in their 60s, suggesting that businesses could face issues with succession planning in the long term.

Further key findings from our research include:

- The number of female Executive Directors is low, but improving slowly. In the FTSE 100 this proportion is highest, at 7.6%.
- In the FTSE 100 and FTSE 250, Non-Executive Director boards have made huge progress in increasing gender diversity. Non-Executive Director posts filled by women were 37% and 34% respectively in the last three years.
- Executive Directors tend to be, on average, 10 years younger than Chairmen across all markets.
- Age diversity is greatest on AIM, where Directors' ages range between mid-20s and 94.
- In FTSE 100 companies, Chairmen are most likely to be appointed from within their own boards.
- Chairmen of FTSE 250 companies have served on boards the longest, with an average of 18.9 years.

INTRODUCTION

For anyone who follows the business pages, it's hard to escape headlines about the lack of diversity on UK boards. Even before Lord Davies' landmark report was issued in 2011, calling for 25% of women on boards by 2015, critics bemoaned the fact that far too many senior executives were 'male, pale and stale'. Low levels of boardroom diversity were even cited as a key factor in the financial crisis.

Board composition is not only a key component of good corporate governance, but also the growth of a business. Having the right mix of skills and background on boards is paramount to making good business decisions, and is also a better reflection of the customer base and communities these businesses serve.

The board of today is quite different to that of even a few years ago. Directors who fail to reach targets face more daunting levels than ever of public scrutiny, not to mention the wrath of regulators if they are not transparent about their business dealings.

Board make-up has also changed. Large numbers of Executive Directors have been replaced by a partnership of Chief Executive and Chief Financial Officer, resulting in 10% fewer Executive Directors on boards in 2014, compared to January 2011. New Non-Executive Directors have filled these empty boardroom seats, creating opportunities for female Non-Executive Directors and helping businesses to meet diversity targets.

The UK government strongly supports Lord Davies' call for 25% of women on boards by 2015, and we have already seen various states in the EU put quotas in place for female Non-Executive Directors. Businesses themselves appreciate the business case for diversity, involving themselves in initiatives such as the 30% Club, which aims for 30% of women on FTSE 100 boards by 2015.

Outside of the FTSE 100, there is also progress. Both FTSE 250 and Small Cap companies have also made strong progress in gender diversity, with the number of women on their boards doubling over the last three years. AIM-listed companies, however, lag behind in gender diversity terms. Only 6.6% of Non-Executive Directors appointed in the past three years to AIM companies were female, compared to an overall figure of 25%.

With this in mind, leading board recruiters Norman Broadbent, together with BDO and the Quoted Companies Alliance, have undertaken a comprehensive analysis of board composition of over 1,700 quoted companies including those within the FTSE 100, FTSE 250, Small Cap, Fledgling and AIM markets.

Using data supplied by BoardEx, we have looked at gender, age and tenure of Executive and Non-Executive Directors, and compared companies across 14 broad industry sectors as well as across the index they reside in as of the end of June 2014. It is clear to see that, despite great strides in boardroom diversity over the last few years, there is more to be done. The following report reveals some interesting truths about the power base in UK listed companies.



SCOTT KNIGHT
PARTNER, BDO LLP



NEIL HOLMES
MANAGING DIRECTOR,
NORMAN BROADBENT



SUE O'BRIEN OBE
CHIEF EXECUTIVE,
NORMAN BROADBENT



TIM WARD
CEO, QUOTED COMPANIES
ALLIANCE



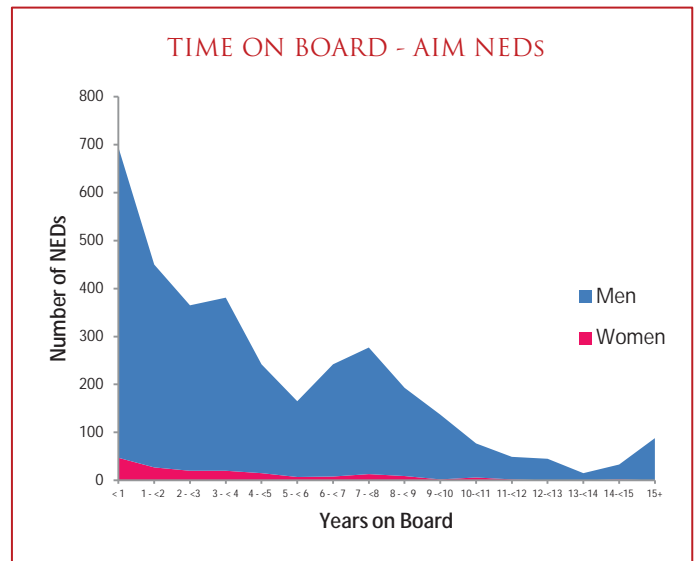
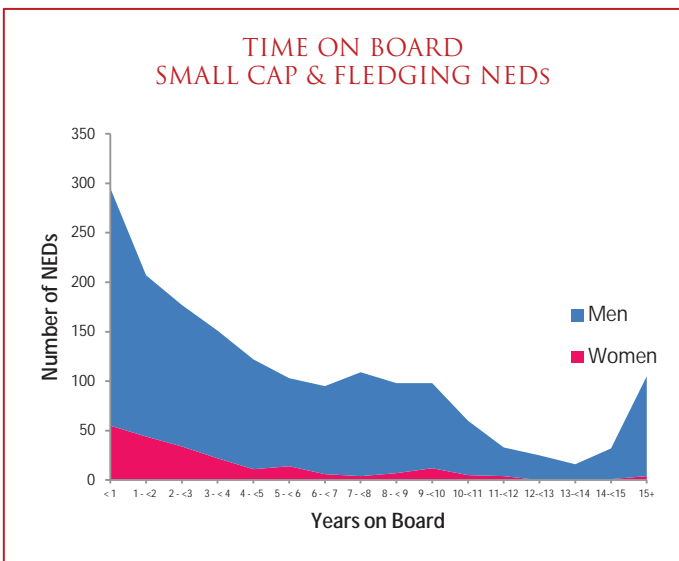
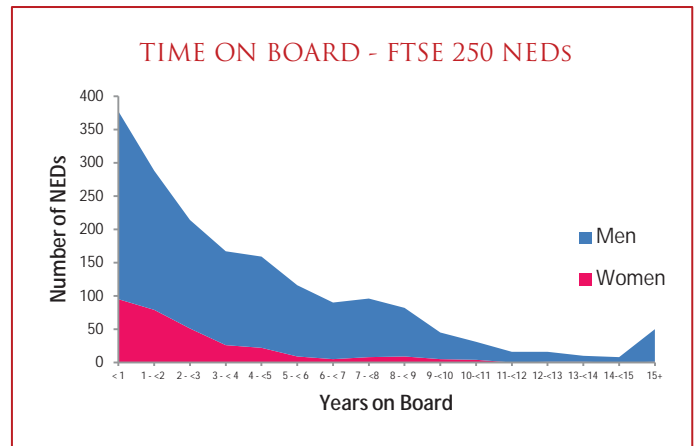
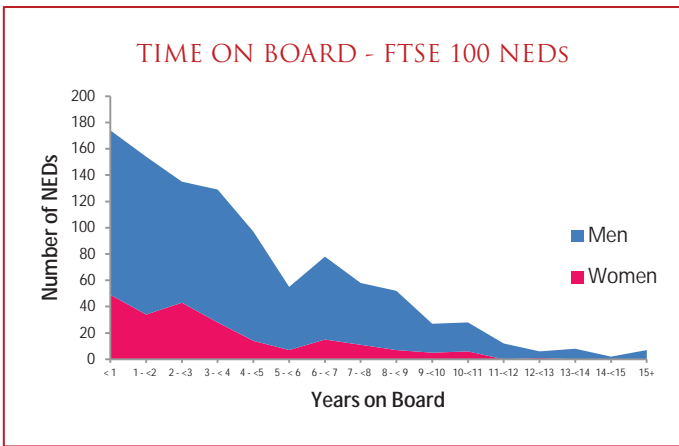
KEY FINDINGS

GENDER

FTSE 100 and FTSE 250 companies have taken great strides over the last three years to increase the number of women on their boards, yet AIM companies have so far failed to make any noticeable change.

Almost 650 Non-Executive Directors were appointed to AIM companies between July 2013 and July 2014, yet only 47 were women.

The reason? Smaller companies may often rely on their own networks, or those of their advisors when recruiting Non-Executive Directors. However, with many businesses now looking more closely at the diversity strategy of their suppliers, and investors looking to ensure the companies they invest in have the broadest pool of talent, AIM companies could be doing themselves a disservice.





KEY FINDINGS

GENDER / NEDS

100

FTSE 100

- Percentage of female Executive Directors: 7.6% (2010: 5.6%)
- Percentage of female Non-Executive Directors: 27.4% (2010: 15.9%)
- Women account for 37% of all Non-Executive appointments over the last three years.

250

FTSE 250

- Percentage of female Executive Directors: 4.7% (2010: 3.9%)
- Percentage of female Non-Executive Directors: 21.8% (2010: 9.8%)
- Women account for 34% of all Non-Executive appointments over the last three years.

SMALL
CAP
FLEDGLING

SMALL CAP & FLEDGLING

- Percentage of female Executive Directors: 5.3% (2010: 4.4%)
- Percentage of female Non-Executive Directors: 14.9% (2010: 8.2%)
- Women account for 24% of all Non-Executive appointments over the last three years.

AIM

AIM

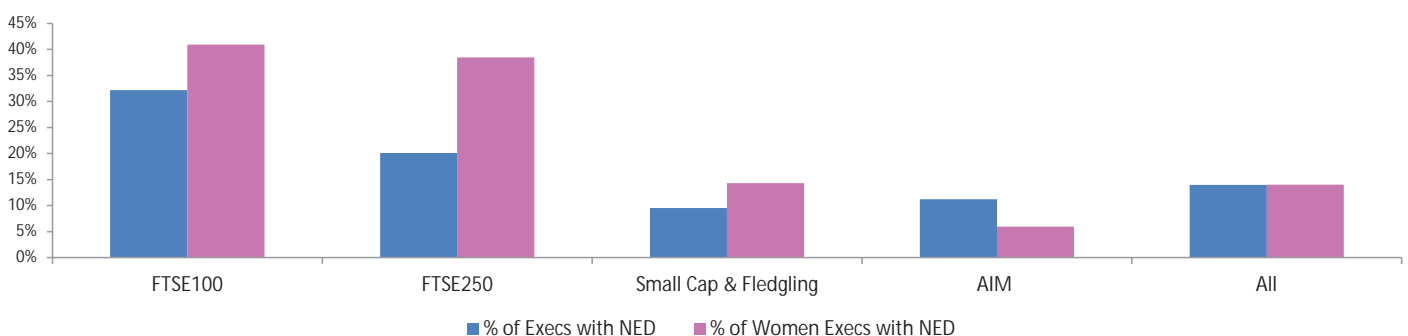
- Percentage of female Executive Directors: 6.6% (2010: 5.0%)
- Percentage of female Non-Executive Directors: 5.4% (2010: 4.3%)
- Women account for fewer than 7% of all Non-Executive appointments over the last three years.

Finally, we looked at the numbers of Executive Directors who hold Non-Executive positions in other listed companies. FTSE 100 Executive Directors are most likely to hold a Non-Executive position in another listed company, with over 30% having a Non-Executive role.

However, outside of the FTSE 100 the proportion of Executive Directors with a Non-Executive role drops to 20% in FTSE 250, and around 10% for smaller companies.

Female Executive Directors are most likely to get a Non-Executive role if they are a FTSE 100 Executive Director, closely followed by FTSE 250 female Executive Directors. However, female Executive Directors in AIM companies are less likely than their male counterparts to take on a Non-Executive role.

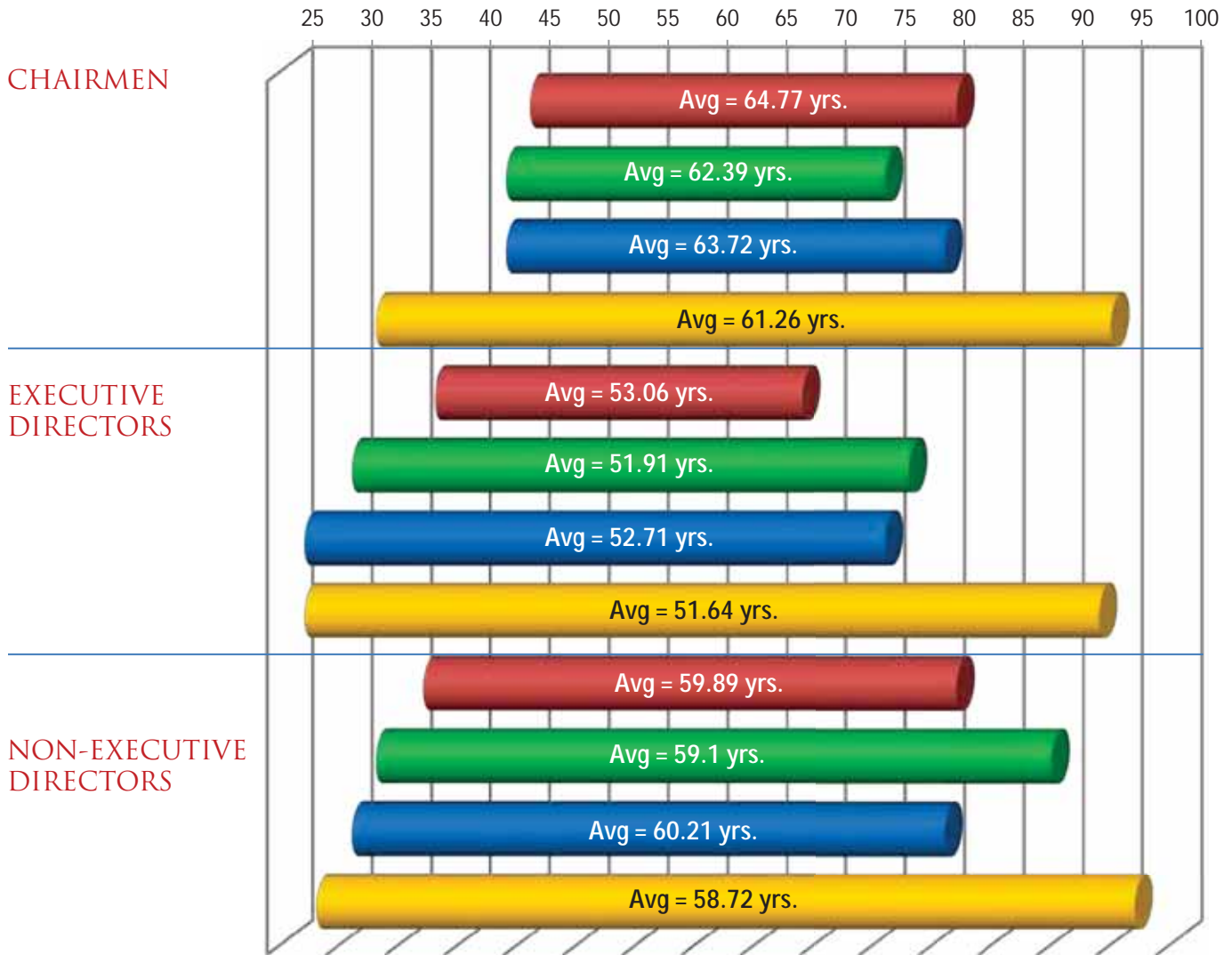
PROPORTION OF EXECUTIVES WITH A NON-EXECUTIVE ROLE IN ANOTHER LISTED COMPANY





KEY FINDINGS

AGE: RANGE & AVERAGE



100

250

SMALL
CAP
FLEDGLING

AIM



FTSE 100

KEY FINDINGS: FTSE 100

Home to many household name businesses, the FTSE 100 has demonstrated a huge improvement in boardroom diversity in the past three years.

More than a third (37%) of Non-Executive Directors appointed during that time were women, pushing up the percentage of women who are Non-Executive Directors to 27% from just over 15% in 2010.

Chairmen have a stable tenure in FTSE 100 companies, almost one tenth of Non-Executive Directors (including Chairmen) have served more than nine years, and 8% have spent more than nine years just in that role. The longest serving Non-Executive Director, Gonzalo Menéndez of Antofagasta, has been in his role for almost 30 years.

The age range of Executive and Non-Executive Directors is less diverse than in some other markets; the average age for Chairmen in the FTSE 100 is just under 65, and just under 60 for Non-Executive Directors.

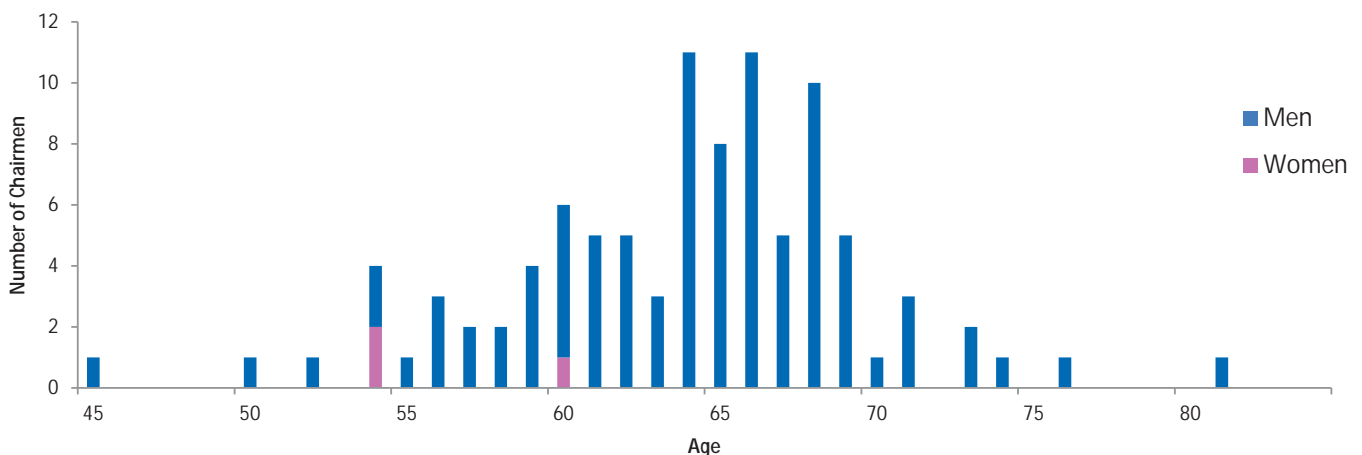
Average Age	
Chairmen	64.77
Executives	53.06
NEDs	59.89
% Women	
Chairmen	3.09%
Executives	7.61%
NEDs	27.43%
Board	22.18%

- Longest Serving Independent Chairman: Alastair Lyons, Admiral Group plc (appointed 2000)
- Longest Serving Independent Non-Executive Director: Gonzalo Menéndez (appointed 1985), Antofagasta plc
- 8% of Chairmen have been Chairmen for over nine years, with an average time on board of just over 12 years.
- Just under 10% of all Non-Executive Directors, including Chairmen, have been on the board for more than nine years.
- 37% of Non-Executive Directors appointed in the last three years were women.



FTSE 100 CHAIRMEN

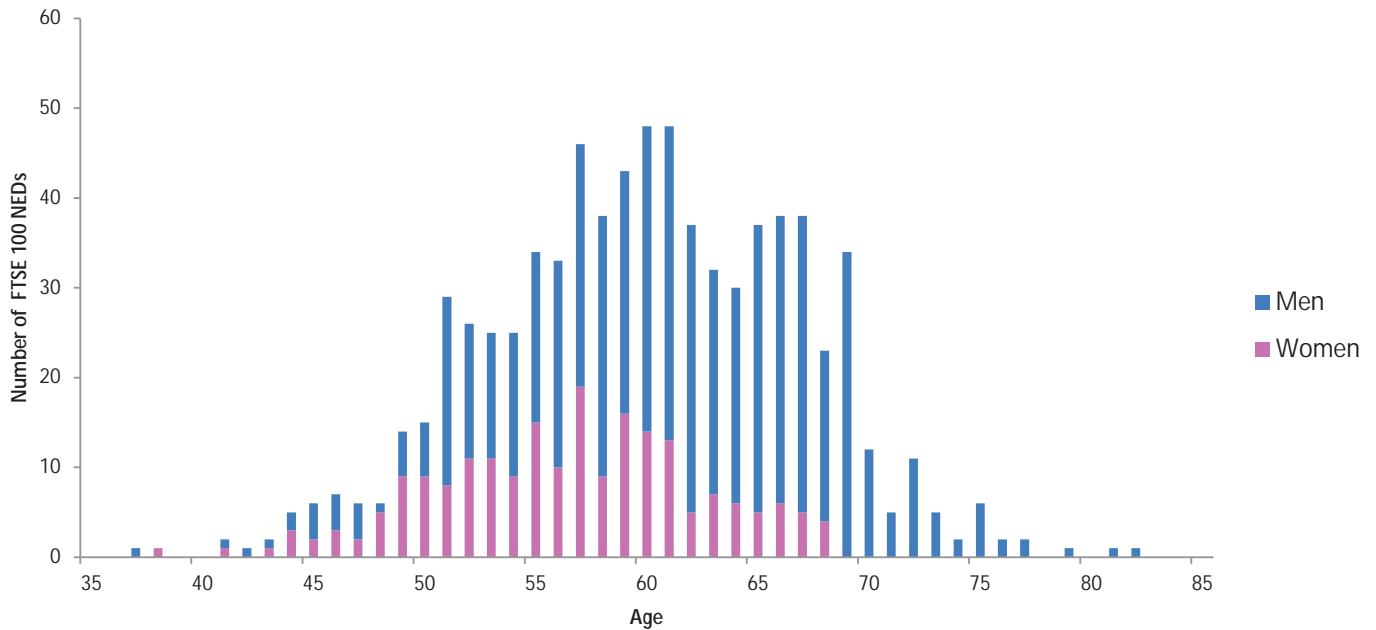
FTSE 100 CHAIRMEN





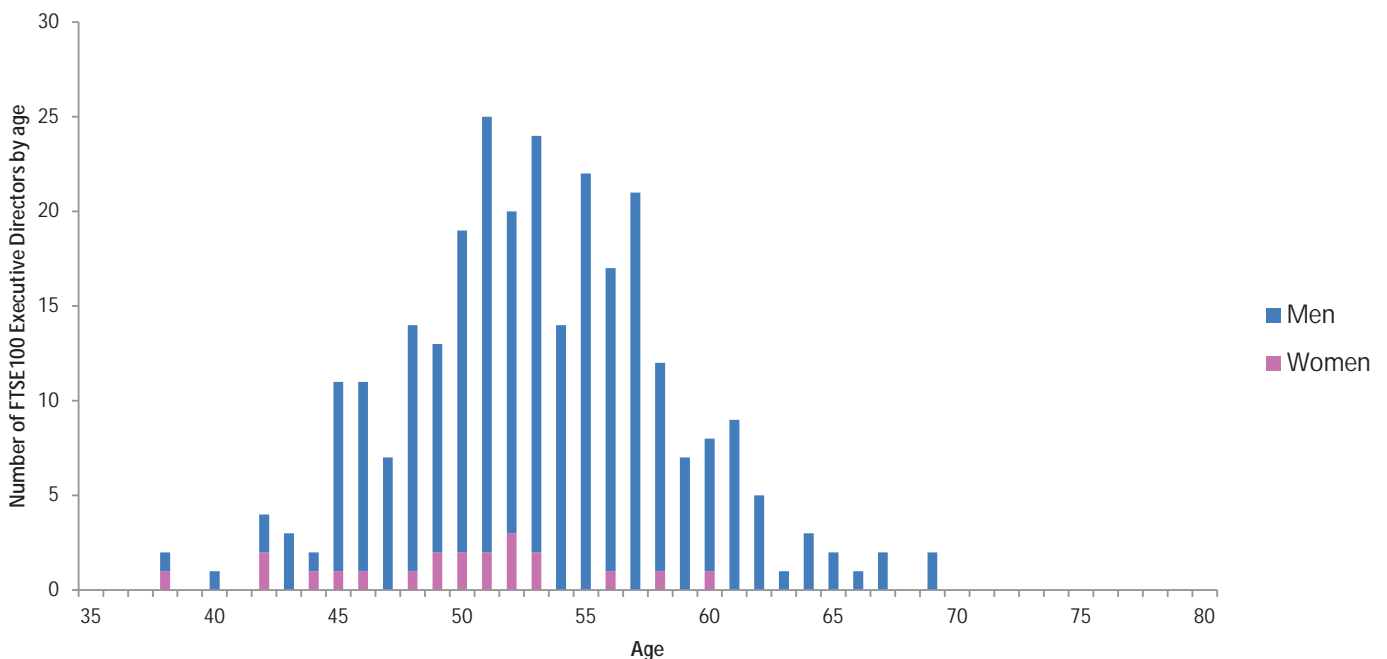
FTSE 100 NON-EXECUTIVE DIRECTORS

AGE RANGE - FTSE 100 NON-EXECUTIVES



FTSE 100 EXECUTIVE DIRECTORS

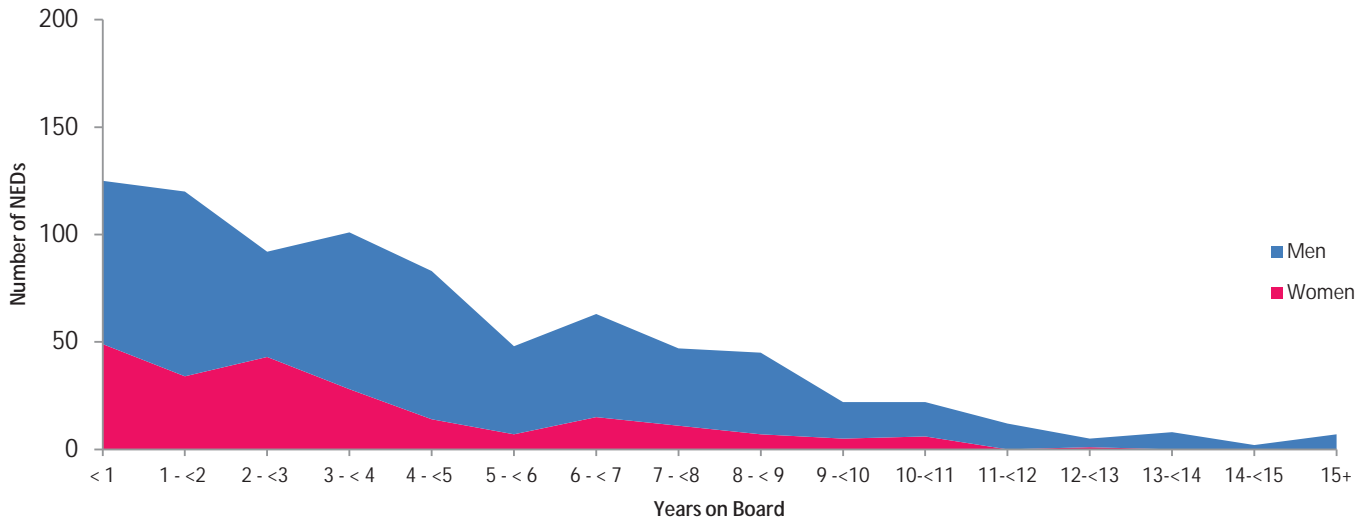
AGE RANGE - FTSE 100 EXECUTIVES



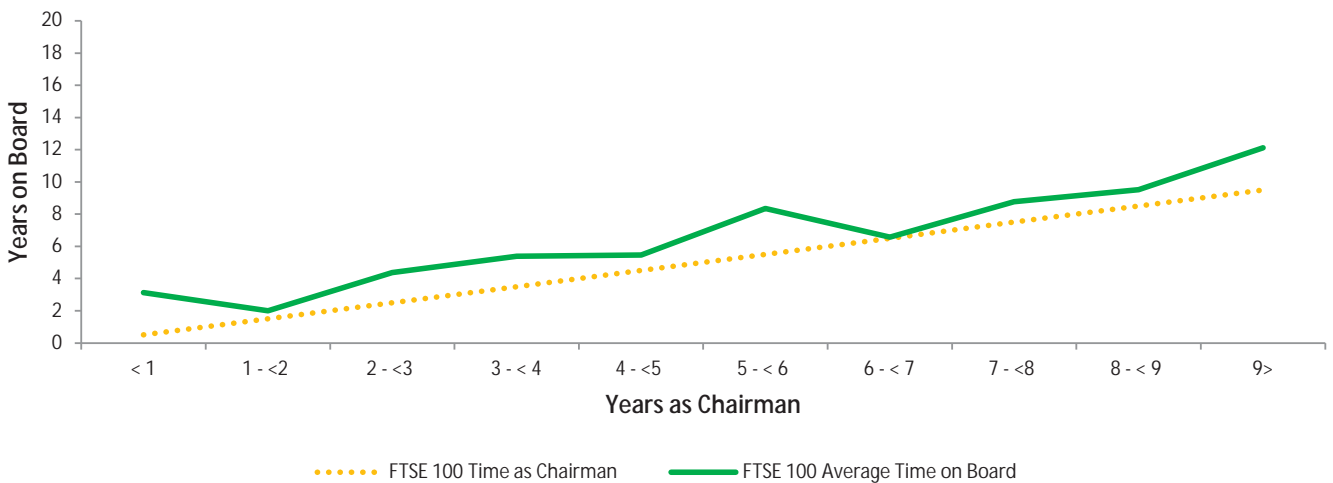


FTSE 100 BOARD MEMBERS

TIME ON BOARD - FTSE 100 NON-EXECUTIVE DIRECTORS



FTSE 100 CHAIRMEN



Our research shows that FTSE 100 Chairmen are most likely to be appointed from existing ranks of NEDs, although more were appointed externally at the start of the recession (2007-2008), and also as businesses were emerging from the recession in 2012.



FTSE 250

KEY FINDINGS: FTSE 250

Female Executive Directors in FTSE 250 companies are, unfortunately, few and far between.

While women now account for around a fifth of the Non-Executive Director population, compared to 9.8% in 2010, they make-up just under 5% of Executive Directors.

Progress is being made in female board representation though, as women accounted for 34% of all Non-Executive Director appointments in the past three years.

The age range for Executive and Non-Executive Directors broadly reflects that of their counterparts in the FTSE 100, with the youngest chairman just 44 years old. Many Non-Executive Directors stay in post a long time – just below 50 of those in the FTSE 250 have been on the board more than 15 years.

Average Age

Chairmen	62.39
Executives	51.91
NEDs	59.10

% Women

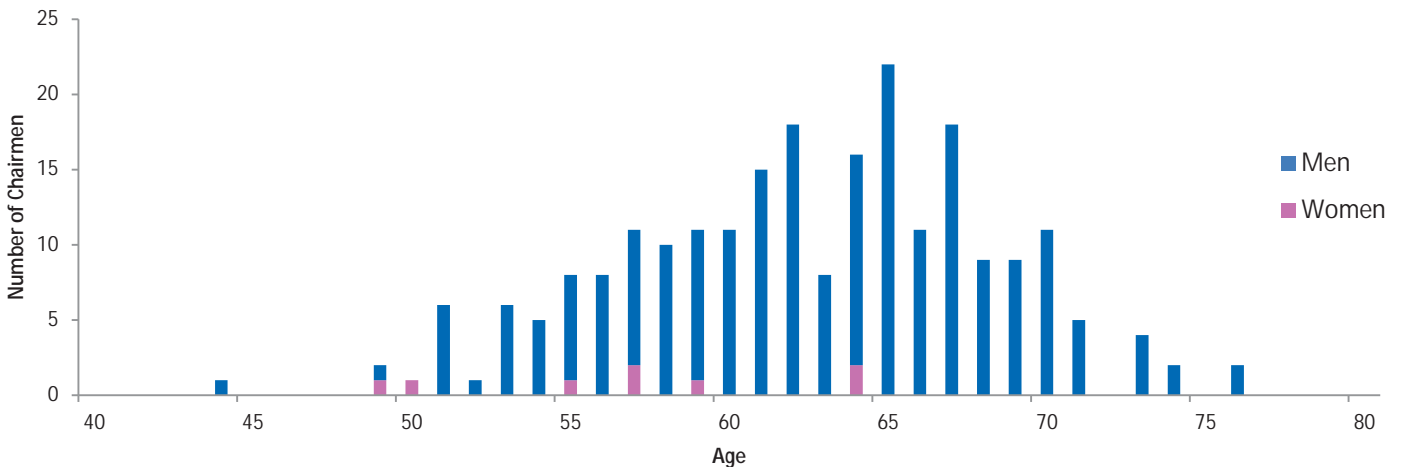
Chairmen	3.46%
Executives	4.71%
NEDs	21.81%
Board	17.09%

- Longest Serving Independent Chairman: Peter Byrom, Dominio’s Printing Sciences Plc (appointed 1996)
- Longest Serving Independent Non-Executive Director: Professor, Dr Ewan Brown, Stagecoach Group Plc (appointed 1988)
- 8% of Chairmen have been Chairmen for over nine years, with an average time on board of just under 19 years.
- 11% of Non-Executive Directors (including Chairmen), have been on the board for more than nine years.
- 34% of Non-Executive Directors appointed in the last three years were women.



FTSE 250 CHAIRMEN

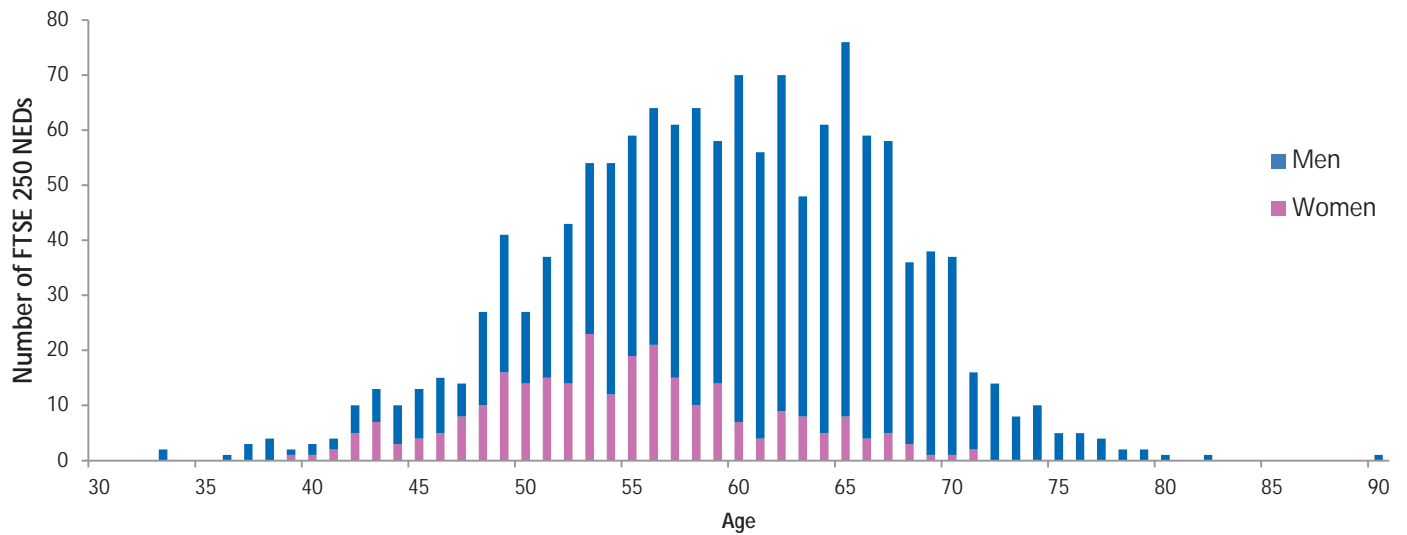
FTSE 250 CHAIRMEN





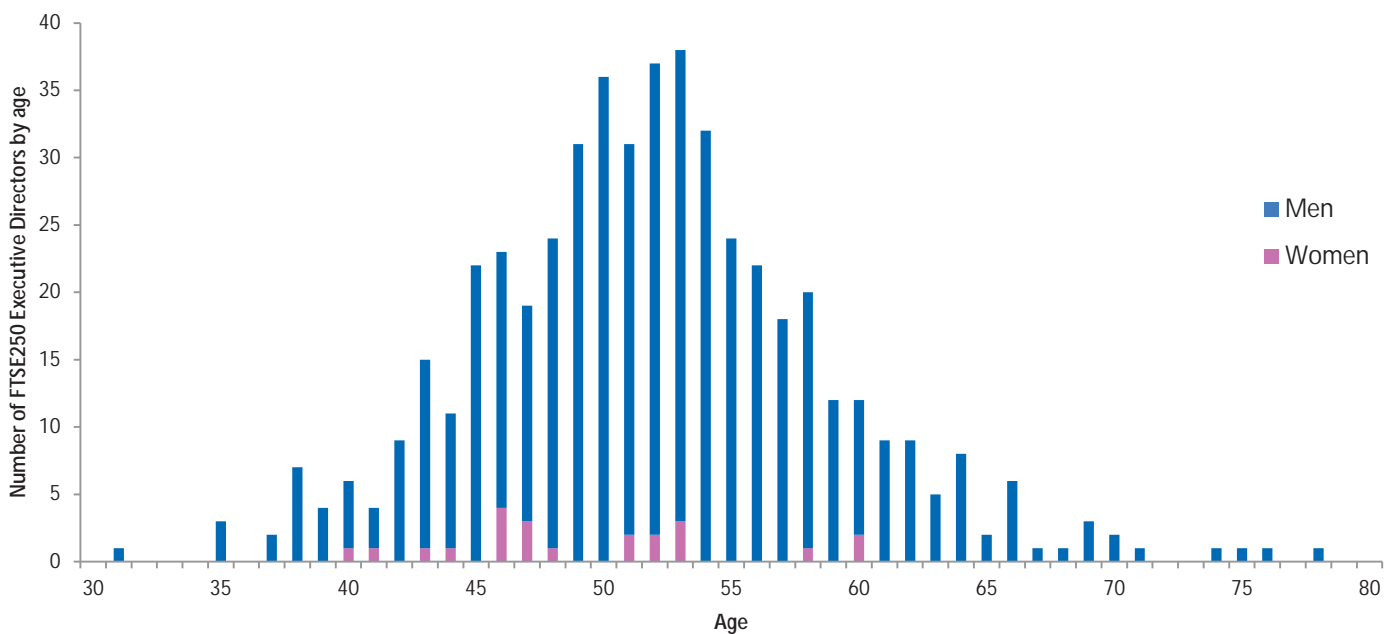
FTSE 250 NON-EXECUTIVE DIRECTORS

AGE RANGE - FTSE 250 NON-EXECUTIVE DIRECTORS



FTSE 250 EXECUTIVE DIRECTORS

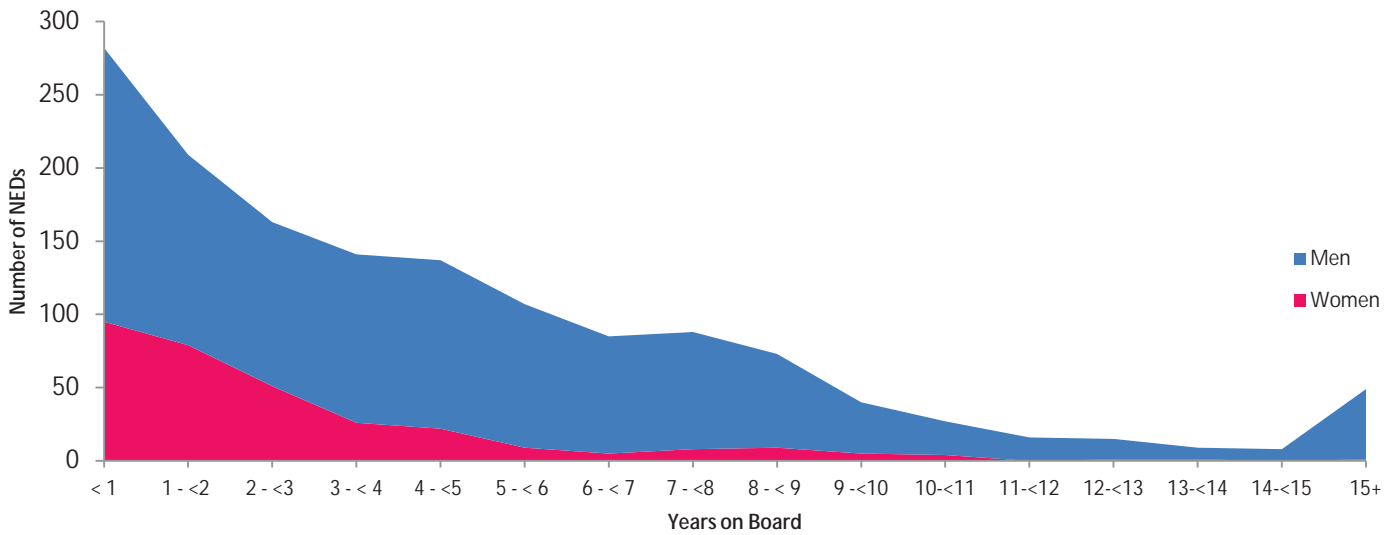
AGE RANGE - FTSE 250 EXECUTIVES



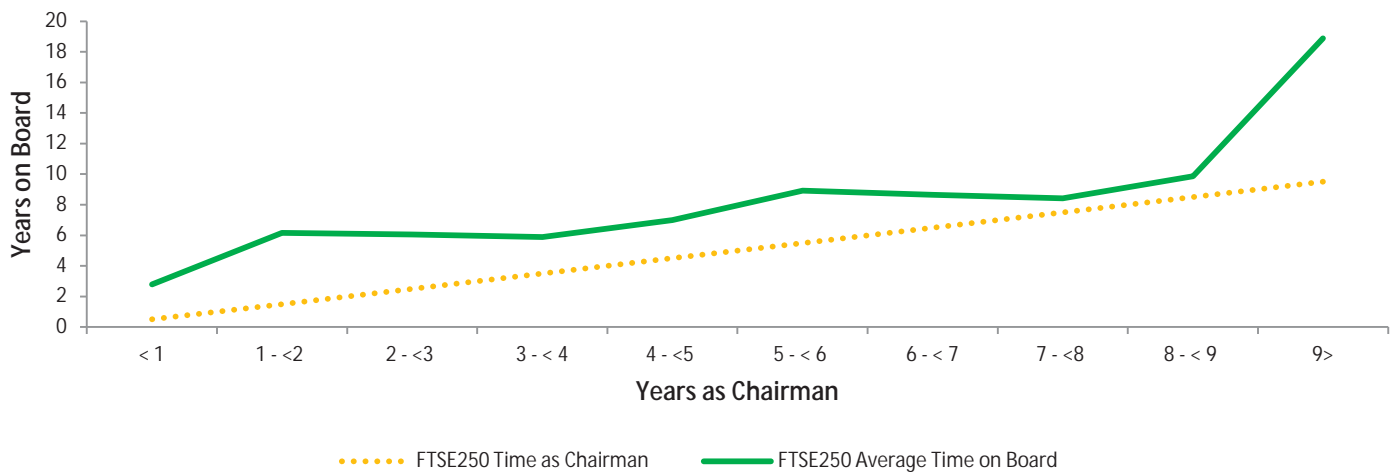


FTSE 250 BOARD MEMBERS

TIME ON BOARD - FTSE 250 NON-EXECUTIVE DIRECTORS



FTSE 250 CHAIRMEN



Compared to FTSE 100 companies, Chairmen of FTSE 250 companies are, on average, more likely to be appointed from within their own boards. However, in contrast to the FTSE 100, our research suggests a distinct preference for external appointments over internal hires.



SMALL CAP & FLEDGLING

KEY FINDINGS: SMALL CAP & FLEDGLING

Small Cap & Fledgling companies are known for being fast-moving and are an attractive option for investors willing to take a risk. In terms of their boardroom make-up, however, this is not as diverse as it could be.

There are more women Chairmen than there are in other markets, but the percentage is still small, at 6.6%. Almost 25% of Non-Executive Directors appointed in the past three years were women, so some progress is being made.

Non-Executive Directors range in age from their late-20s to almost 80, and average board tenure is impressive, at 17 years. In fact, the Small Cap & Fledgling group boasts one of the longest serving Independent Non-Executive Directors, who has been in post for more than 40 years.

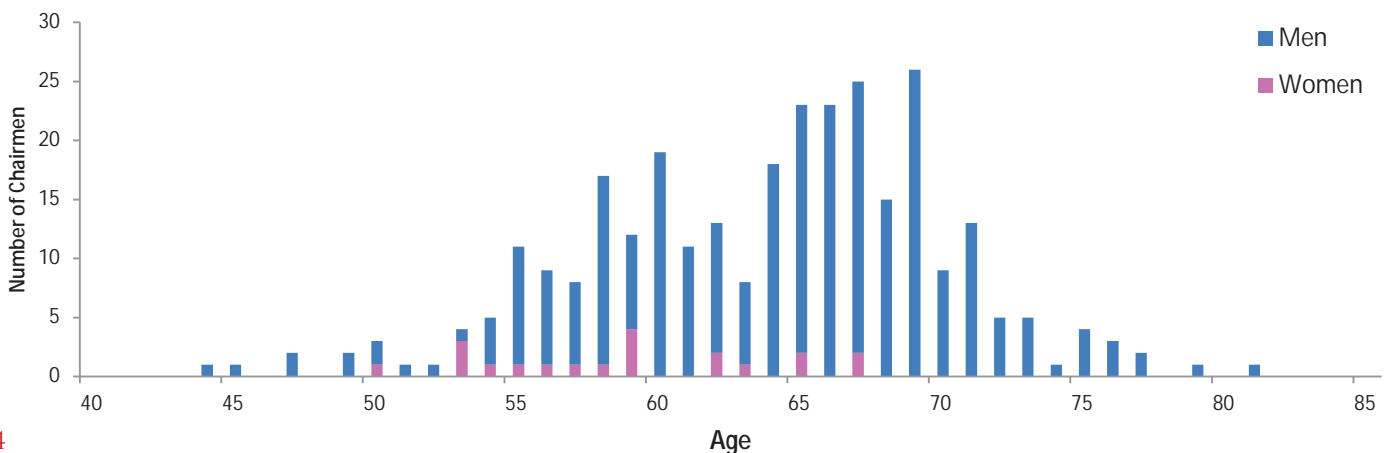
Average Age	
Chairmen	63.72
Executives	52.71
NEDs	60.21
% Women	
Chairmen	6.62%
Executives	5.34%
NEDs	14.89%
Board	12.43%

- Longest Serving Independent Chairman: James Ferguson, Value & Income Trust Plc (appointed 1994)
- Longest Serving Independent Non-Executive Director: David Marshall, Creston Plc, (appointed 1973) although it has recently been announced that David will step down at the end of November 2014
- 16.4% of Chairmen have been Chairmen for over nine years, with an average time on board of 17 years.
- 22.8% of Non-Executive Directors (including Chairmen) have been on the board for more than nine years.
- 24.4% of Non-Executive Directors appointed in the last three years were women.



SMALL CAP & FLEDGLING CHAIRMEN

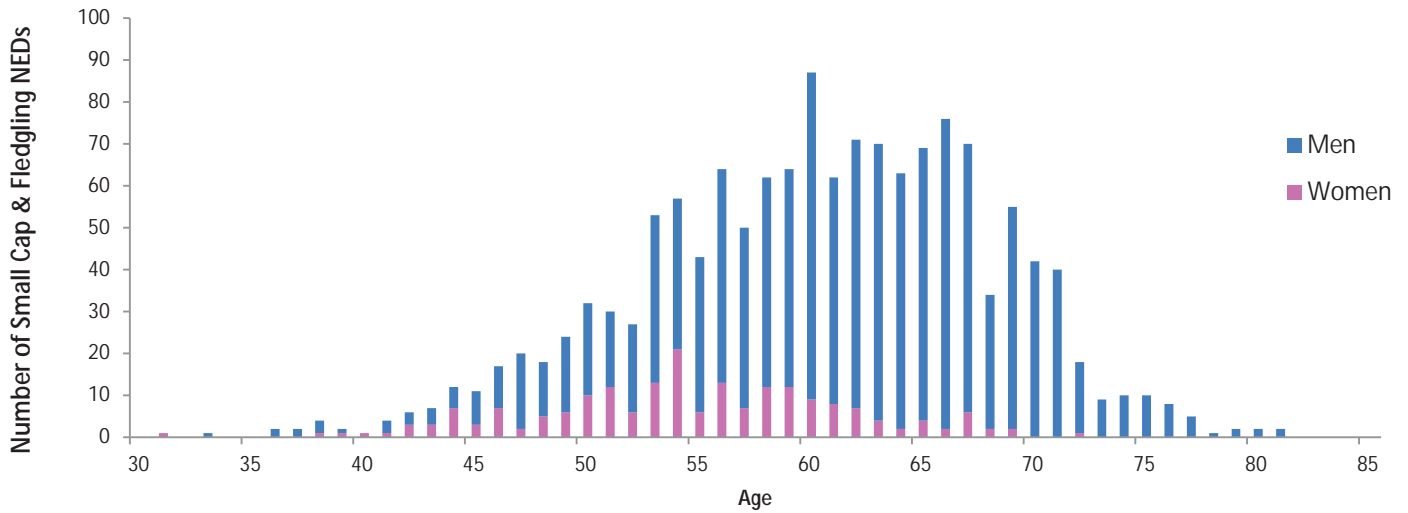
SMALL CAP & FLEDGLING CHAIRMEN





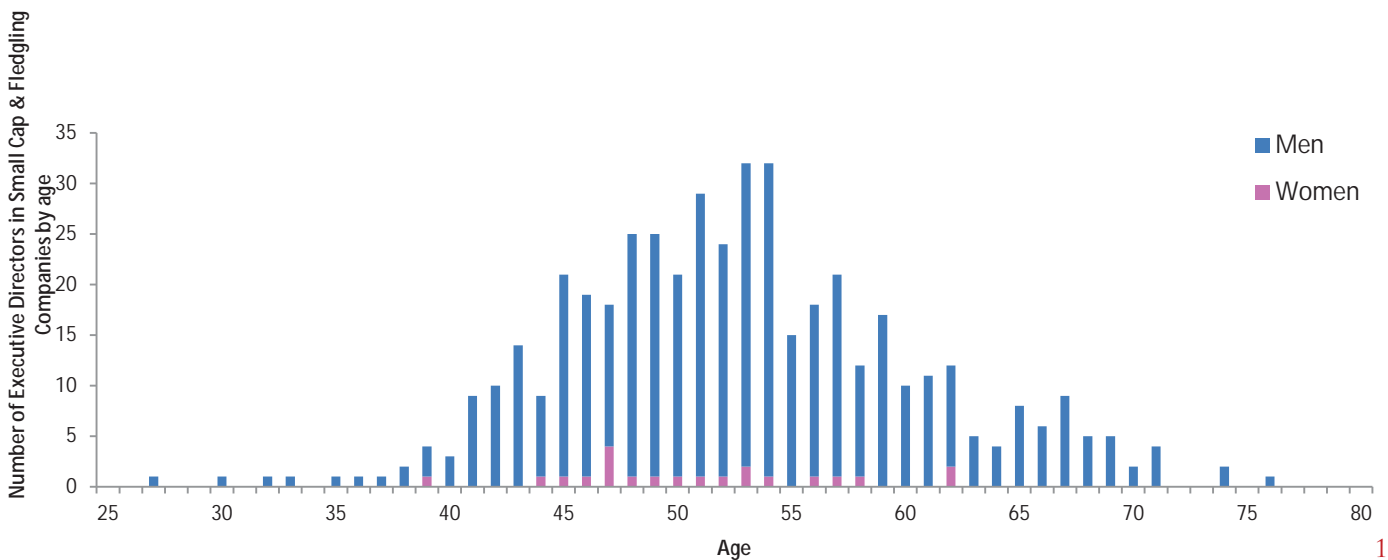
SMALL CAP & FLEDGLING NON-EXECUTIVE DIRECTORS

AGE RANGE OF SMALL CAP & FLEDGLING NON-EXECUTIVE DIRECTORS



SMALL CAP & FLEDGLING EXECUTIVE DIRECTORS

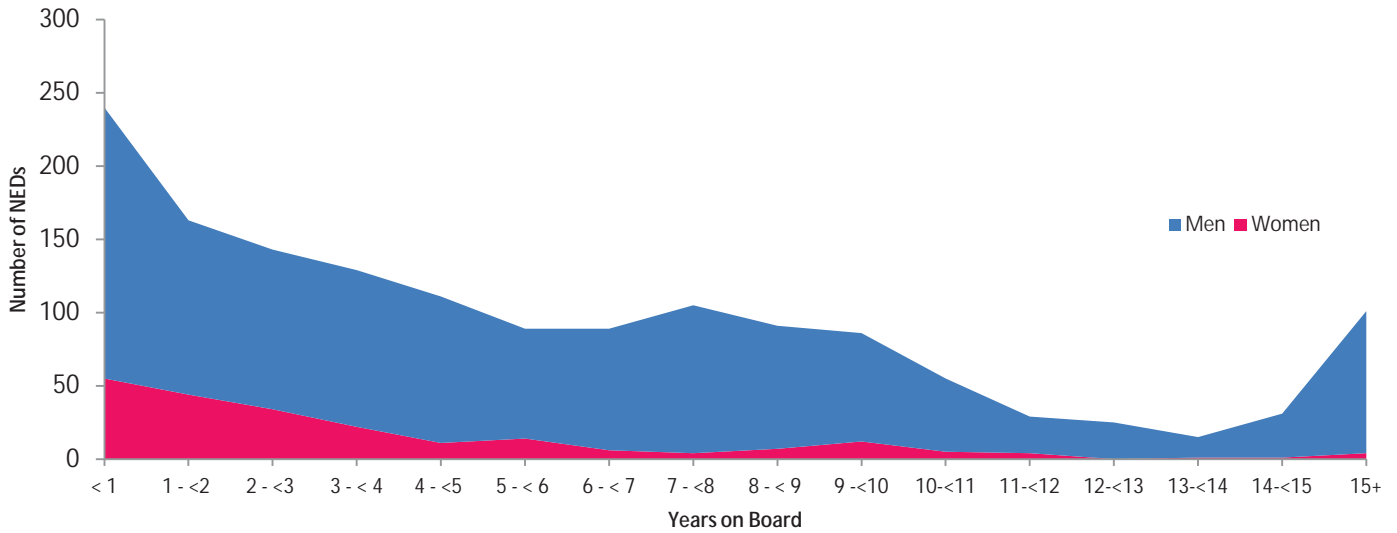
AGE RANGE OF EXECUTIVES IN SMALL CAP & FLEDGLING COMPANIES



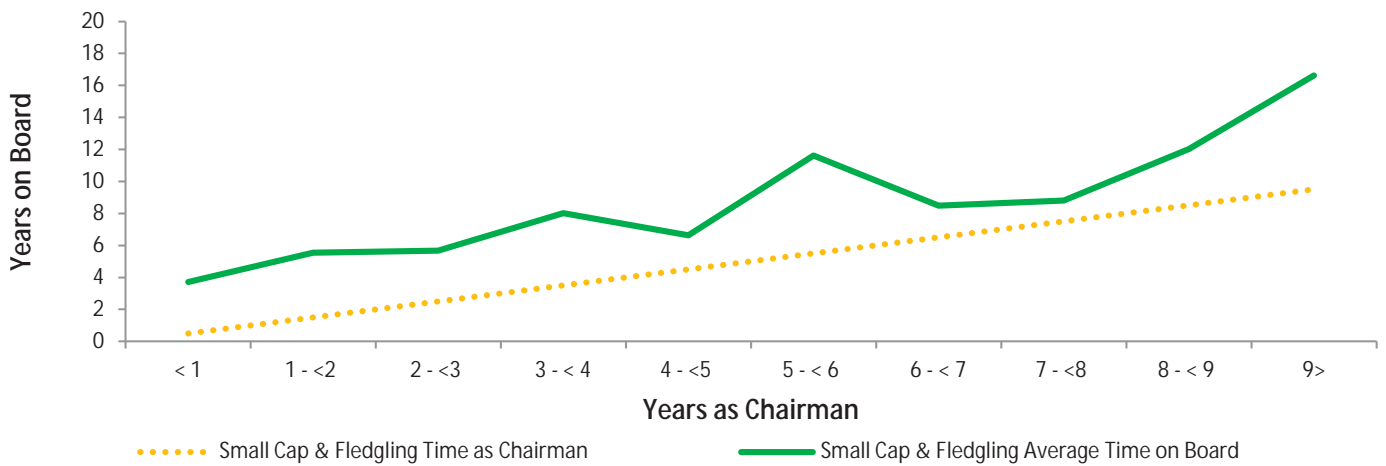


SMALL CAP & FLEDGLING BOARD MEMBERS

TIME ON BOARD - SMALL CAP & FLEDGLING NON-EXECUTIVE DIRECTORS



SMALL CAP & FLEDGLING CHAIRMEN



Chairmen of Small Cap and Fledgling companies have spent, on average, two years as a Non-Executive Director before taking on the Chairman role. This suggests they are drawn largely from a pool of existing Non-Executive Directors.



KEY FINDINGS: AIM

One might expect that the younger, fast-growing companies that inhabit the Alternative Investment Market (AIM) would be at the leading edge of diversity practice. Our research, however, suggests this is not the case.

Only 6.6% of Non-Executive Directors appointed in the last three years were women, compared to just below 38% in the FTSE 100. Women make up just 1.85% of Chairmen in AIM companies, and just over 5% of Non-Executive Directors, so business leaders in this market are overwhelmingly male.

AIM businesses do boast a wide age range of Executive and Non-Executive Directors, though. The average age for a Chairman is 61, but ages range all the way from the mid-30s up to 94.

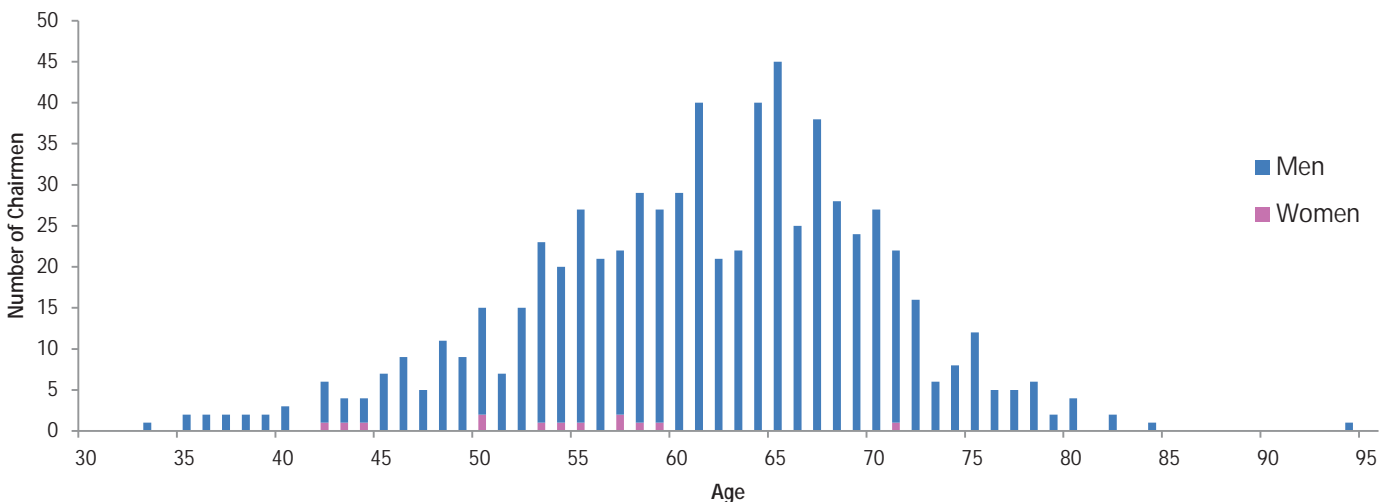
Probably due to the fast-moving nature and youth of businesses on AIM (many are technology start-ups), average board tenure tends to be lower. Just below 8% of Chairmen have been in that post for more than nine years, and the average time on the board is 13.6 years.

Average Age	
Chairmen	61.26
Executives	51.64
NEDs	58.72
% Women	
Chairmen	1.85%
Executives	6.59%
NEDs	5.43%
Board	5.91%

- Longest Serving Independent Chairman: Barrie Clark, I S Solutions Plc, (appointed 1997)
- Longest Serving Independent Non-Executive Director: William Tucker, Heavitree Brewery Plc, (appointed 1955).
- 7.7% of Chairmen have been Chairmen for over 9 years, with an average time on board of 13.6 years.
- 13% of Non-Executive Directors (including Chairmen) have been on the board for more than 9 years.
- 6.6% of Non-Executive Directors appointed in the last three years were women.



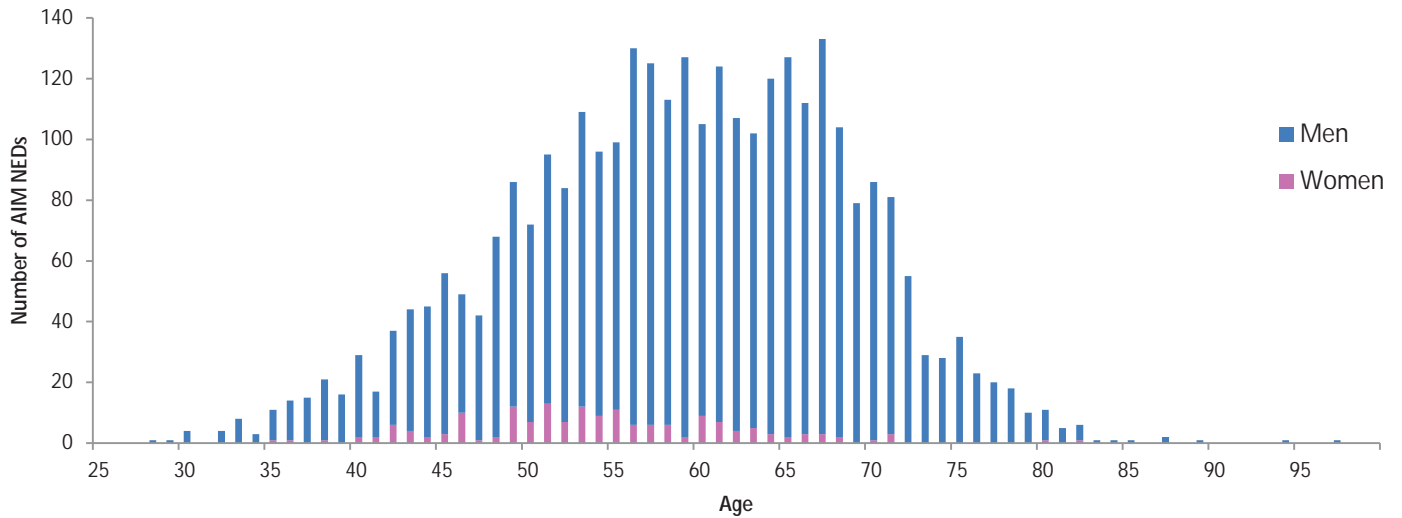
AIM CHAIRMEN





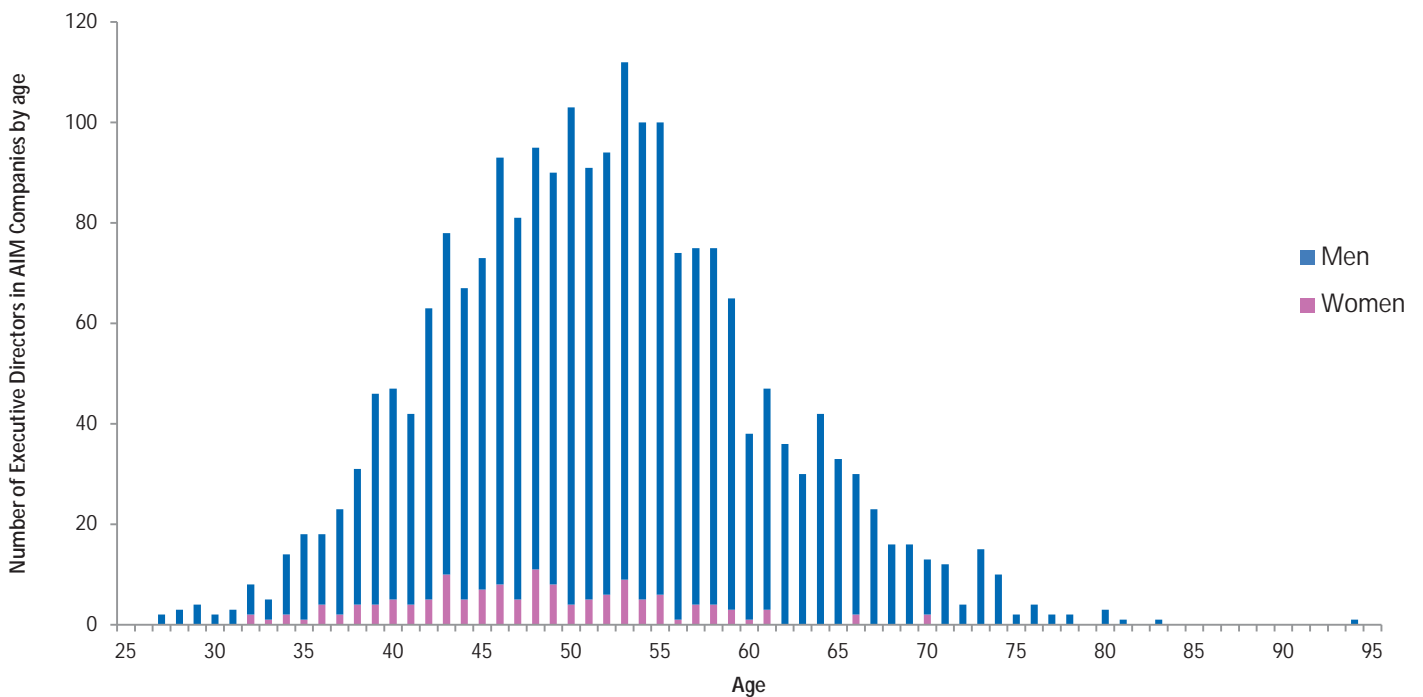
AIM NON-EXECUTIVE DIRECTORS

AGE RANGE OF AIM NON-EXECUTIVE DIRECTORS



AIM EXECUTIVE DIRECTORS

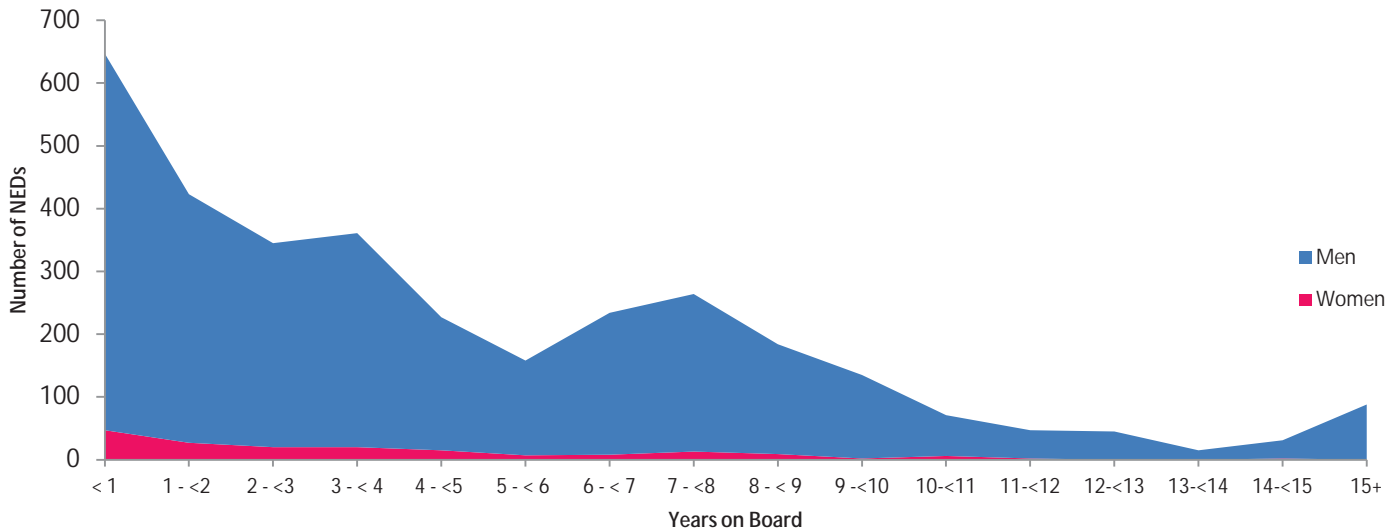
AGE RANGE OF EXECUTIVES IN AIM COMPANIES



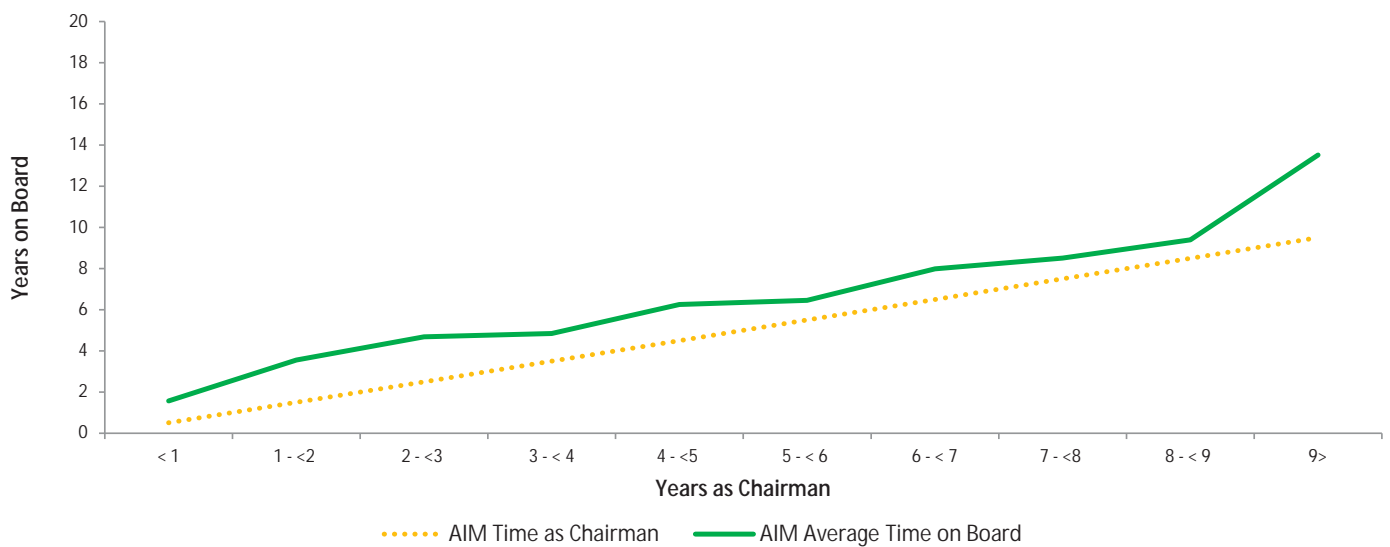


AIM BOARD MEMBERS

TIME ON BOARD - AIM NON-EXECUTIVE DIRECTORS



AIM CHAIRMEN



Compared to companies listed on the Main Market, Chairmen of AIM companies often join the company as Chairman rather than be appointed initially as a Non-Executive Director. Most likely, this is a reflection of the relative youth of companies on AIM compared to other listed businesses.



YOUNGEST AND OLDEST CHAIRMEN

Across all indices, there is a strong concentration of Executive and Non-Executive Directors between the ages of 50 and 65, but these are by no means upper or lower limits for those roles.

Throughout UK listed companies, there are a few Directors who buck this demographic trend with either their youth or age and experience. The oldest Chairman on a FTSE 100 company, for example, is 82, some 12 years younger than Jacques Gaston Murray, who presides over two AIM-listed companies at the age of 94.

Executive and Non-Executive Directors in their 30s are becoming increasingly commonplace, and in the Small Cap and Fledgling index, and AIM, Directors as young as 27 are making their mark. One of the youngest Chairmen across the markets, business process outsourcing boss Sara Latham, is 43.

THE OLDEST CHAIRMAN - JACQUES GASTON MURRAY

At 94, Jacques Gaston Murray is the oldest serving Chairman of a listed company in 2014. He chairs two AIM-listed companies: The Andrew Sykes Group, a leading specialist hire company providing air conditioning and heating solutions to clients, and London Security Plc, a leading fire protection business. Mr Murray holds substantial shareholdings in both businesses in addition to broad property assets that include the Grand Beach Hotel in Miami.

THE YOUNGEST CHAIRMAN - EITAN MILGRAM

Eitan Milgram, 35, chairs AIM-listed Treveria Plc, a business that invests in German commercial real estate with a primary focus on retail assets, holding a diversified property portfolio of 370 properties valued at €1.4 billion. Mr Milgram is also a Portfolio Manager and Executive Vice President at Weiss Asset Management LP, which has a 29% stake in Treveria. He has worked there for the last ten years.



YOUNGEST AND OLDEST CHAIRMEN

THE OLDEST FEMALE CHAIRMAN - MARGARET BROOKE

Margaret Brooke, 71, is Chairman of Pacific Alliance China Land Limited, a closed-end investment company. The company's key aim is to build a portfolio of property investments in Greater China.

Mrs Brooke was co-founder of Brooke International, a regional consultancy and advisory group with offices and alliance partners in all major markets in the Asia Pacific region. Brooke International was acquired by the US Insignia Group in 2000 and its name changed to Insignia Brooke, which later merged with CB Richard Ellis.

THE YOUNGEST FEMALE CHAIRMAN - SARA LATHAM

Sara Latham, 43, chairs AIM-listed business process outsourcing company, iEnergizer Ltd. She is a former adviser to President Clinton and Prime Minister Tony Blair, with over 15 years of government relations and strategic communications experience. Ms Latham is the founder of Latham Group, a London based public affairs and government relations firm, whose clients have included the Clinton Foundation, The Coca-Cola Company, Tony Blair Associates, and Random House Group.



INDUSTRY SECTORS

Our analysis of more than 1,700 companies highlighted some surprising but also predictable trends across different industry sectors.

Traditionally male-dominated industries, such as construction and industrial (which covers engineering and manufacturing) are still struggling to improve gender diversity at board level. Initiatives to buck this trend are now becoming more established, and companies in these sectors hope to see more senior women in role in the long term.

Sectors perceived as youthful and diverse, such as technology and the media did, to some extent, reflect this in their board composition, yet still have work to do to improve diversity at other levels.

It is interesting to note that the boards that had made strides in fostering diversity showed improved performance, underlining the business case for widening companies' pools of Executive talent.

Construction - Construction & Building Materials

Consumer - Beverages, Food Producers & Processors, Clothing, Leisure & Personal Products, Household Products, Tobacco, Containers & Packaging

Financial Services - Banks, Insurance, Life Assurance, Private Equity, Specialist Finance

Health - Health, Pharmaceutical & Biotech

Industrial - Automobiles & Parts, Chemicals, Diversified Industrials, Engineering & Machinery, Forestry & Paper, Steel

Investment Companies - Investment Companies

Leisure - Leisure, Transport, Consumer Services

Media - Media & Entertainment, Publishing

Real Estate - Real Estate

Resources - Mining, Oil & Gas

Retail - Food & Drug Retailers, General Retailers

Services - Business Services

Technology - Information Technology Hardware, Electronics & Electrical Equipment, Software & Computer Services, Telecoms, Aerospace & Defence

Utilities - Electricity, Utilities, Renewable Energy



INDUSTRY SECTORS

We looked at more than 1,700 companies across market indices, with a data point of 30th June 2014. This is the number of companies in each sector, in each market.

	100	250	SMALL CAP FLEDGLING	AIM	Total
Construction	5	14	12	22	53
Consumer	9	11	14	53	87
Financial Services	19	30	16	118	183
Health	4	8	9	63	84
Industrial	6	18	19	69	112
Investment Companies	0	38	134	21	193
Leisure	8	25	12	48	93
Media	5	8	17	65	95
Real Estate	4	20	34	54	112
Resources	12	17	18	250	297
Retail	8	14	12	23	57
Services	8	17	23	71	119
Technology	7	27	24	160	218
Utilities	5	3	3	34	45
Total	100	250	347	1051	1748



INDUSTRY SECTORS CONSTRUCTION

Average Age	
Executive	53.61
NED	59.51
% Women	
Executive	1.99%
NED	21.29%
Board	13.03%
% NEDs on Board >9 years	13.40%



Despite efforts to attract more women into the industry, construction has the lowest female representation of any sector at Executive level.

Women make up just 12% of the construction sector workforce, and 1.2% of those in manual trades, according to the Office for National Statistics (ONS). It is perhaps no surprise then that 1.99% of Executive Directors in construction are women.

To combat this, construction industry associations are rallying for greater gender diversity and this is starting to pay dividends, particularly amongst the Non-Executive Director community. Just over a fifth (21.3%) of Non-Executive Directors within the construction sector are female – and the figure is increasing.

The construction sector is second only to retail for the highest number of female Non-Executive Directors. This is influenced in part by the fact that construction companies make up 36% of the FTSE 350.

Gender diversity is not the sole issue to be addressed. A lack of fresh, skilled talent is a major concern for construction industry bosses, as its senior workforce is ageing. Directors within the construction sector are older than the overall average (53.6 years compared with 51.9 years), although the age of Non-Executive Directors is near to the pan-industry average of just over 59.

Board tenure is around average, with the average male Director having spent seven years on the board, and a female Director four years on the board.

Sector Specialists:

Richard Kelly, BDO Head of Construction

Neil Holmes, Norman Broadbent Managing Director

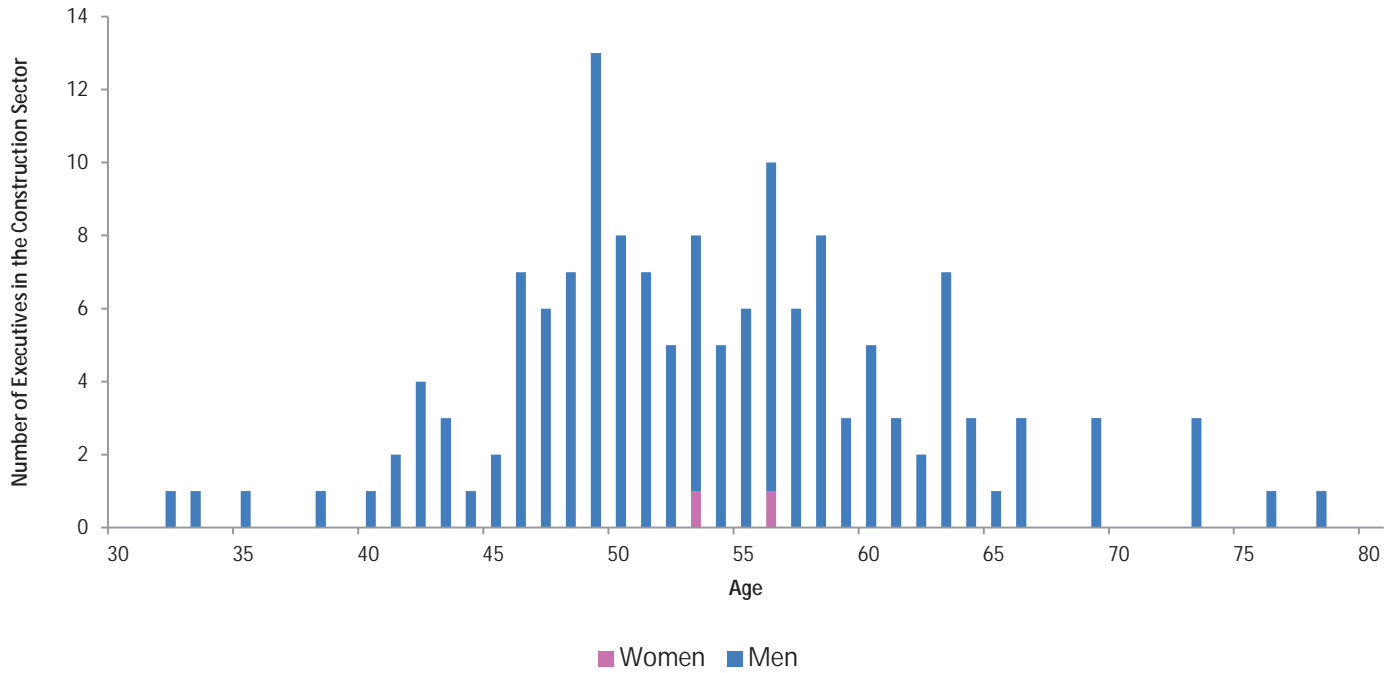
Margaret Edge, Norman Broadbent Director

Largest Board	Berkeley Group Holdings Plc	14 Directors
Oldest Board	James Halstead Plc	66.7 years
Youngest Board	Billington Hldgs Plc	50.3 years
Highest Proportion of Women	Redrow Plc	50% women
Longest Serving Board	Titon Hldgs Plc	21.4 years

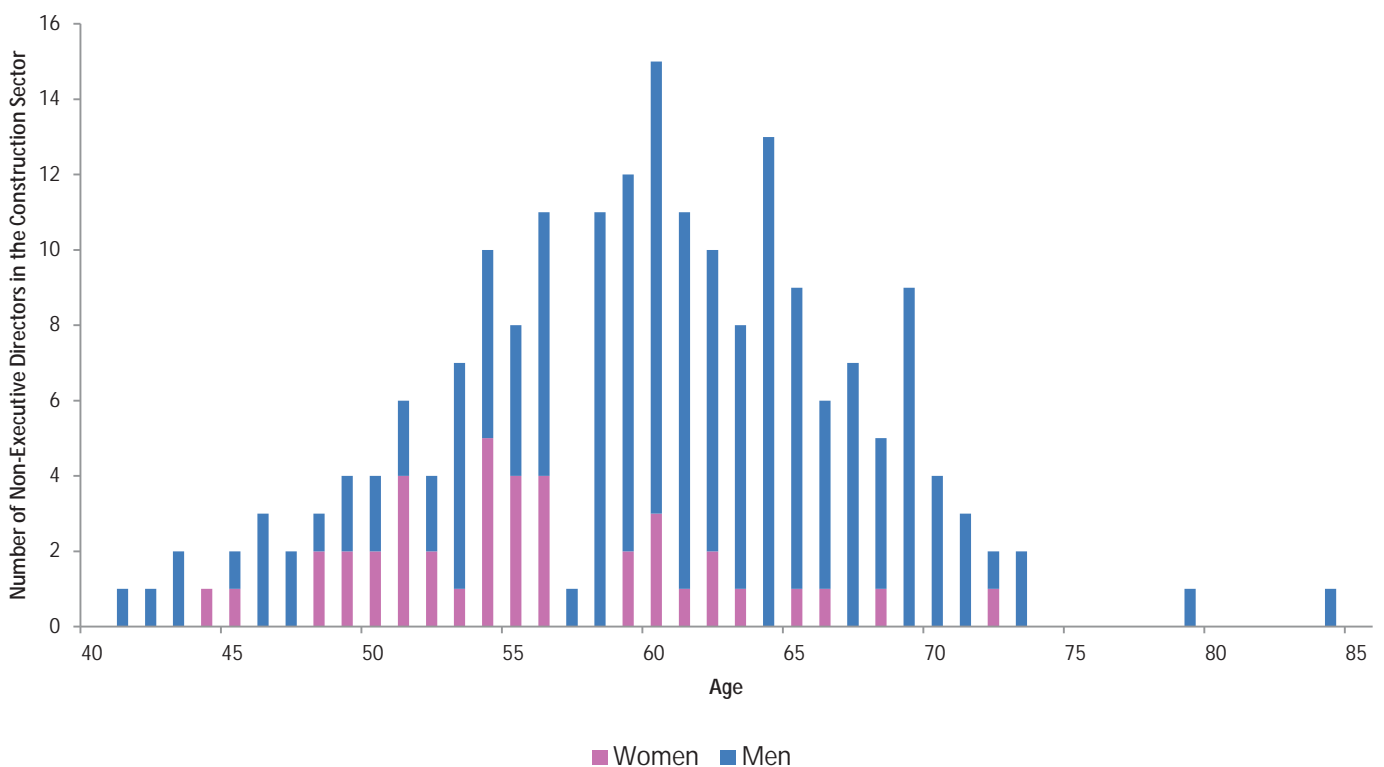


INDUSTRY SECTORS CONSTRUCTION

AGE RANGE OF EXECUTIVES IN THE CONSTRUCTION SECTOR



AGE RANGE OF NEDS IN THE CONSTRUCTION SECTOR





INDUSTRY SECTORS

CONSUMER

Average Age	
Executive	51.56
NED	59.50
% Women	
Executive	8.14%
NED	17.65%
Board	13.90%
% NEDs on Board >9 years	17.90%



Consumer companies boast amongst the highest share of female board members on Executive and Non-Executive boards. This is mostly at Non-Executive Director level, however, where 18% are women, compared to just 8% of Executive Directors.

The average age of Executive and Non-Executive board members in consumer industries reflects the average profile across all sectors, 51.5 and 59.5 years respectively. Board tenure is strong, with the share of Non-Executive Directors who have served on the board for more than nine years at 17.9% (compared to 14.4% for the overall average).

At the same time, consumers' expectations are increasing – they demand higher quality for better value, and spending has been squeezed by years of recession and negative pay inflation.

Rising energy and commodity prices also affect profits, piling further pressure on Directors in consumer companies. Going forward, it will be up to senior management to bring in talented teams that can make sense of Big Data, so companies can get to know their customers better and respond accordingly.

Sector Specialists:

Tom Lawton, BDO Head of Manufacturing

Kate Latham, Norman Broadbent Managing Director

David Bailey, Norman Broadbent Director

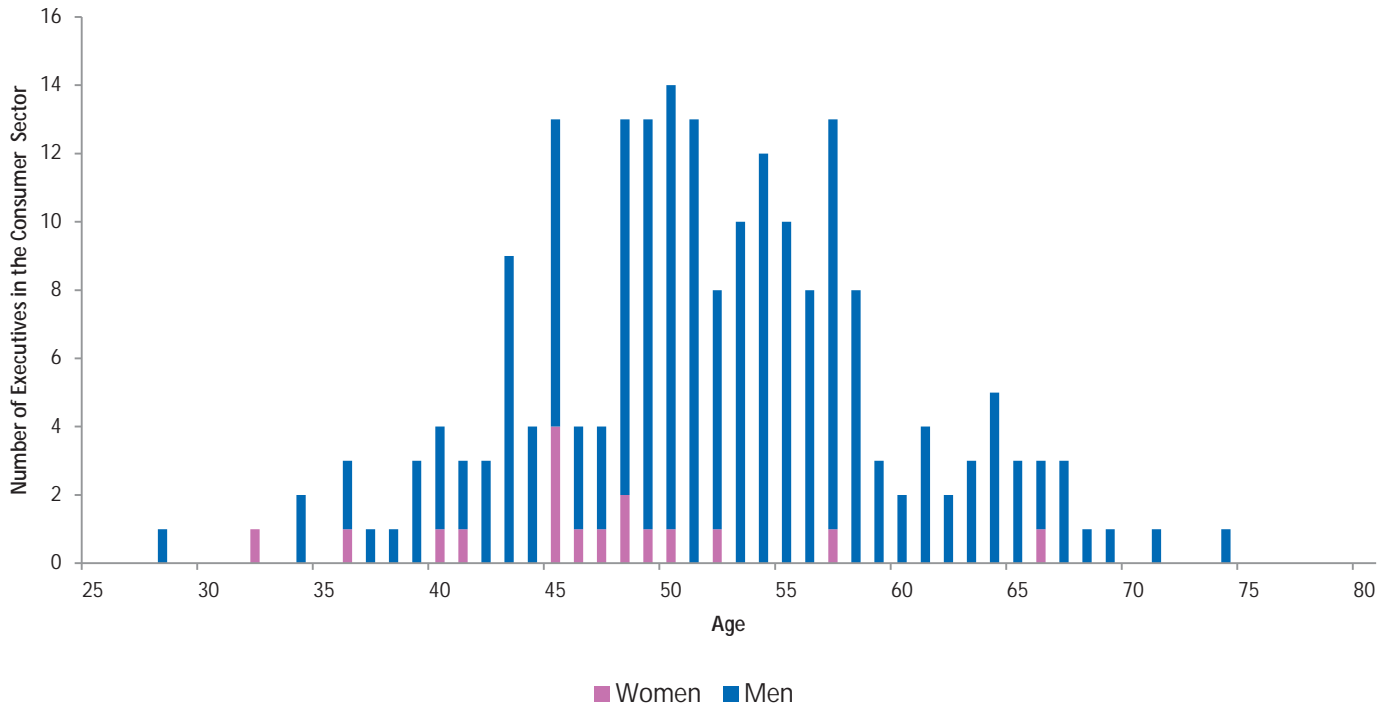
Largest Board	Sabmiller Plc	15 Directors
Oldest Board	Coburg Group Plc	65.3 years
Youngest Board	Ca Sperati Plc	41.7 years
Highest Proportion of Women	Diageo Plc	44% women
Longest Serving Board	Colefax Group Plc	20.9 years



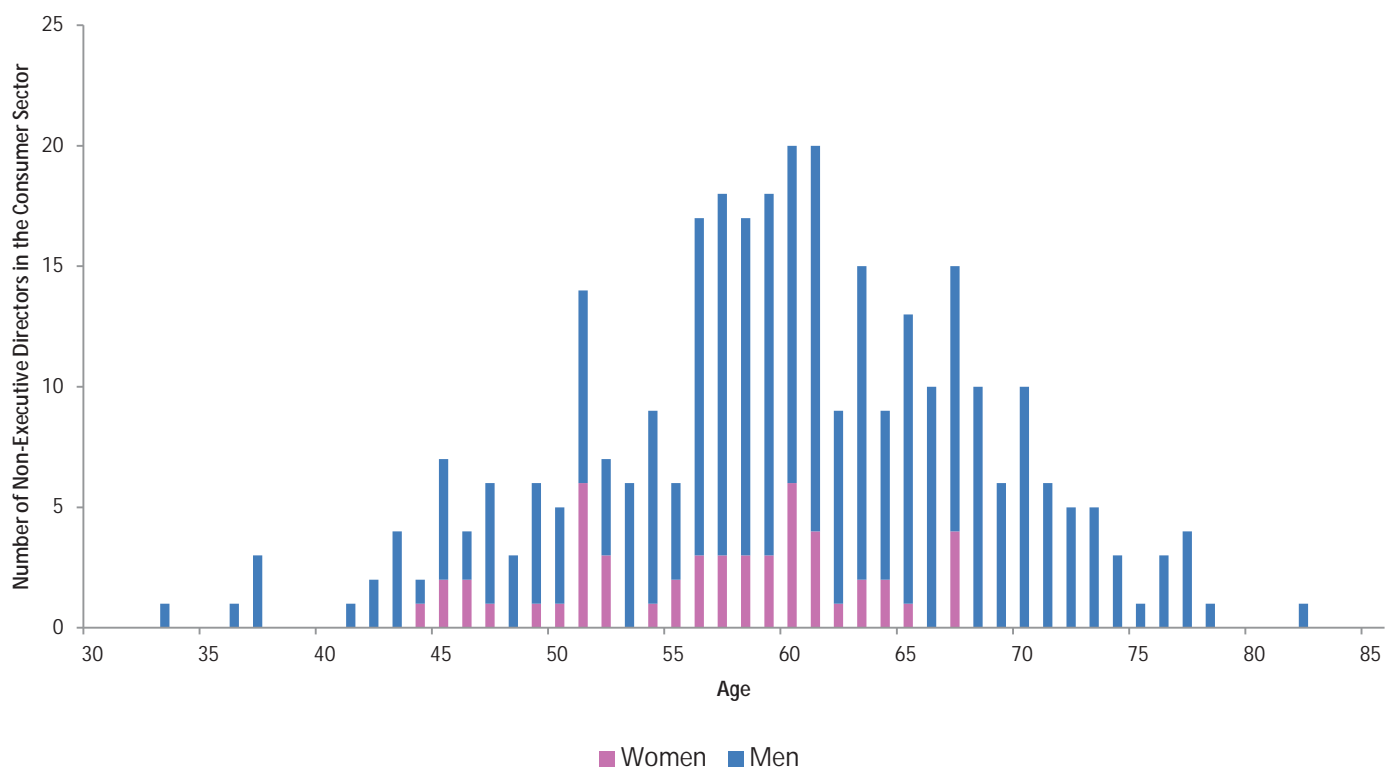
INDUSTRY SECTORS

CONSUMER

AGE RANGE OF EXECUTIVES IN THE CONSUMER SECTOR



AGE RANGE OF NEDS IN THE CONSUMER SECTOR





INDUSTRY SECTORS FINANCIAL SERVICES

Average Age	
Executive	52.24
NED	59.41
% Women	
Executive	6.15%
NED	15.82%
Board	12.35%
% NEDs on Board >9 years	11.40%



The average age of Executive and Non-Executive board members in financial services closely reflects the average age profile industry-wide (52.24 and 59.41 years respectively). Female representation is also in line with that of other sectors, with women accounting for around 6% of Executive Directors.

The proportion of female Non-Executive Directors, at almost 16%, is slightly higher than the average (13.3%). The share of Non-Executive Directors who have been on the board for more than nine years is slightly lower than the average with 11.4% (compared to 14.4%).

Financial services companies face some tough challenges, however. The way people bank and pay is changing, with traditional methods increasingly being replaced with digital platforms, such as mobile banking.

Additionally, new competitors are entering the market that can exploit the latest technology to deliver time and cost efficiencies to their clients. It is important that leaders acknowledge this increasingly agile environment and invest in people and technology to enable their business to innovate and adapt quickly, as well as ensuring robust and safe financial services for the future.

Sector Specialists:

Mark Hunt, BDO Head of Financial Services

Conrad Hills, Norman Broadbent Director

Sophie Le Hardy, Norman Broadbent Consultant

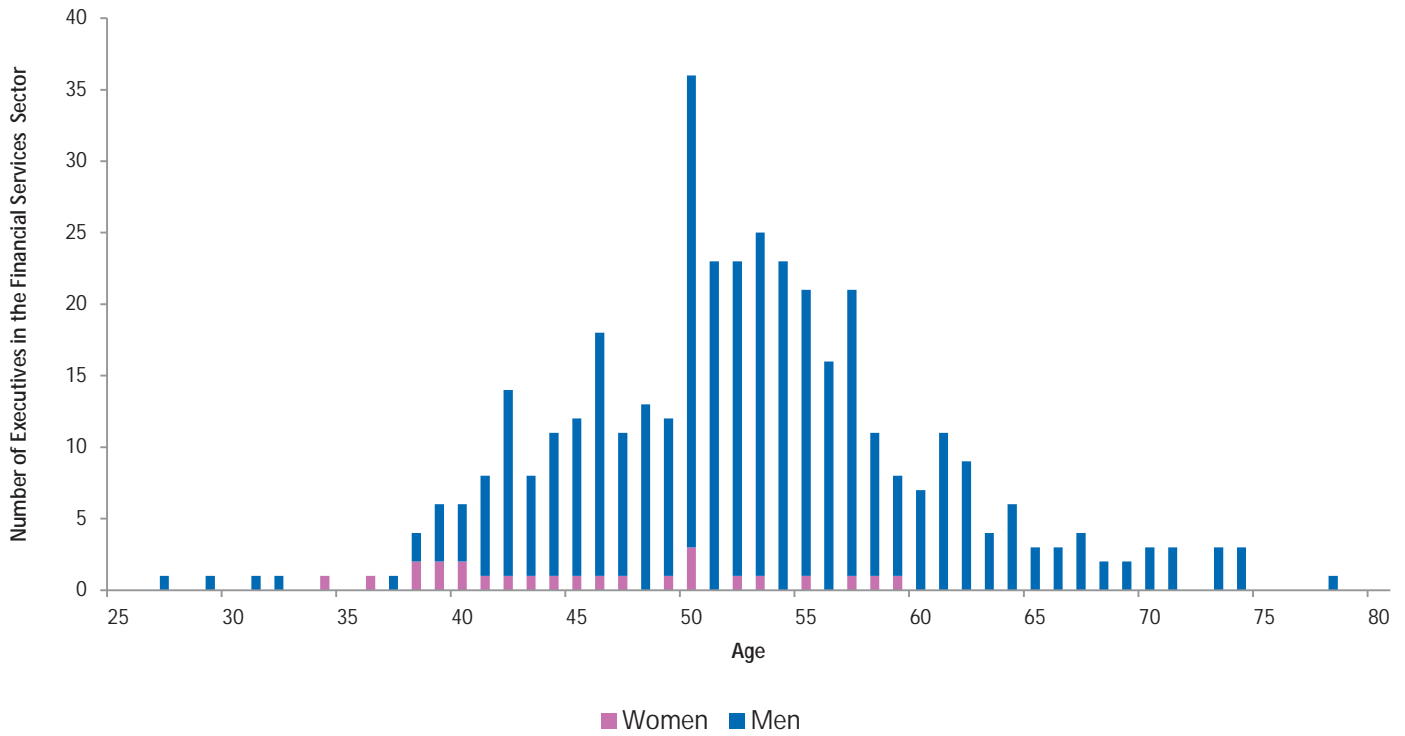
Largest Board	HSBC Hldgs Plc / Standard Chartered Plc	17 Directors
Oldest Board	Nbnk Investments Plc	74 years
Youngest Board	Avarae Global Coins Plc	41.3 years
Highest Proportion of Women	1Pm Plc	40% women
Longest Serving Board	London Finance & Investment Group Plc	20.4 years



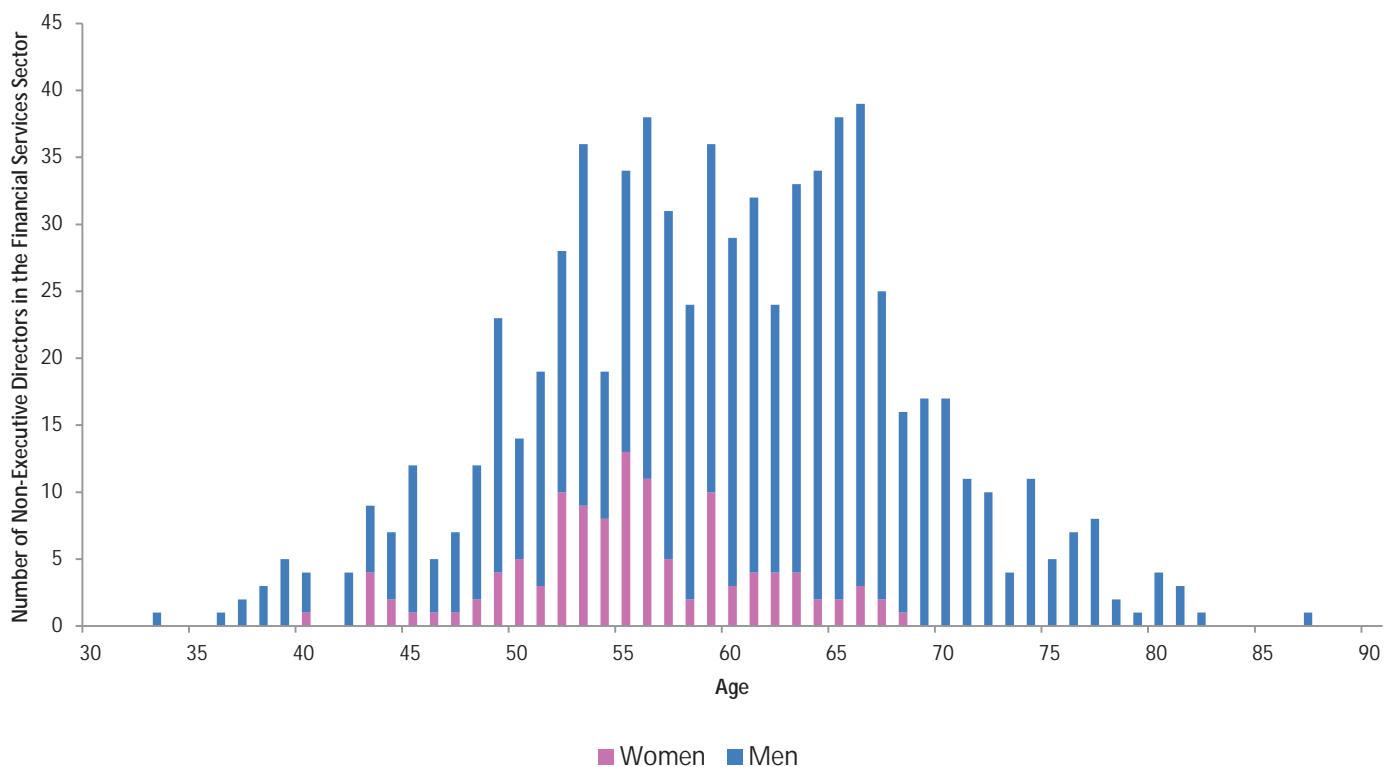
INDUSTRY SECTORS

FINANCIAL SERVICES

AGE RANGE OF EXECUTIVES IN THE FINANCIAL SERVICES SECTOR



AGE RANGE OF NEDS IN THE FINANCIAL SERVICES SECTOR





INDUSTRY SECTORS

HEALTH

Average Age	
Executive	52.01
NED	58.91
% Women	
Executive	8.46%
NED	12.46%
Board	10.97%
% NEDs on Board >9 years	11.00%



The pharmaceutical sector has worked hard over recent years to increase gender diversity on boards, and this has had a significant impact - particularly for big pharma. A third of the board of GlaxoSmithKine is female, for example, while at AstraZeneca a quarter of board members are women.

Smaller pharmaceutical businesses find gender diversity more of a challenge, however. FTSE 250 companies Genus and Hikma, for example, have no female board members at all. Board tenure for Non-Executive Directors is on a par with the pan-industry average, although Executive Directors serve a typically shorter time on a board than those in other sectors.

The nature of the pharmaceutical sector means companies have to gamble on pipelines and balance crucial R&D expenditure with profitability. Merck's CEO was publicly slated in 2013 when he failed to deliver the same R&D effectiveness as his predecessor, but stayed true to his strategy and the company went on to deliver its first dividend increase for seven years.

Jeff Kindler, the former CEO of Pfizer, did not fare as well. He was hauled over the coals when the company failed to deliver new blockbuster drugs from a risky pipeline strategy, and was ousted from his role. These high profile departures are the tip of the iceberg and occur across boards throughout the pharmaceutical sector. Many pharmaceutical boards employ active scientists and, whilst CEOs may be older than in many sectors, a higher proportion of younger board members push down the mean age.

Sector Specialists:

Martin Gouldstone, BDO Pharmaceuticals & Biotech

Renu Vijh, Norman Broadbent Director

Janet Musgrave, Norman Broadbent Director

Largest Board	Glaxosmithkline Plc	14 Directors
Oldest Board	Medgenics Inc	65.3 years
Youngest Board	4D Pharma Plc	47 years
Highest Proportion of Women	Scancell Hldgs Plc	50% women
Longest Serving Board	Proteome Sciences Plc	14.4 years

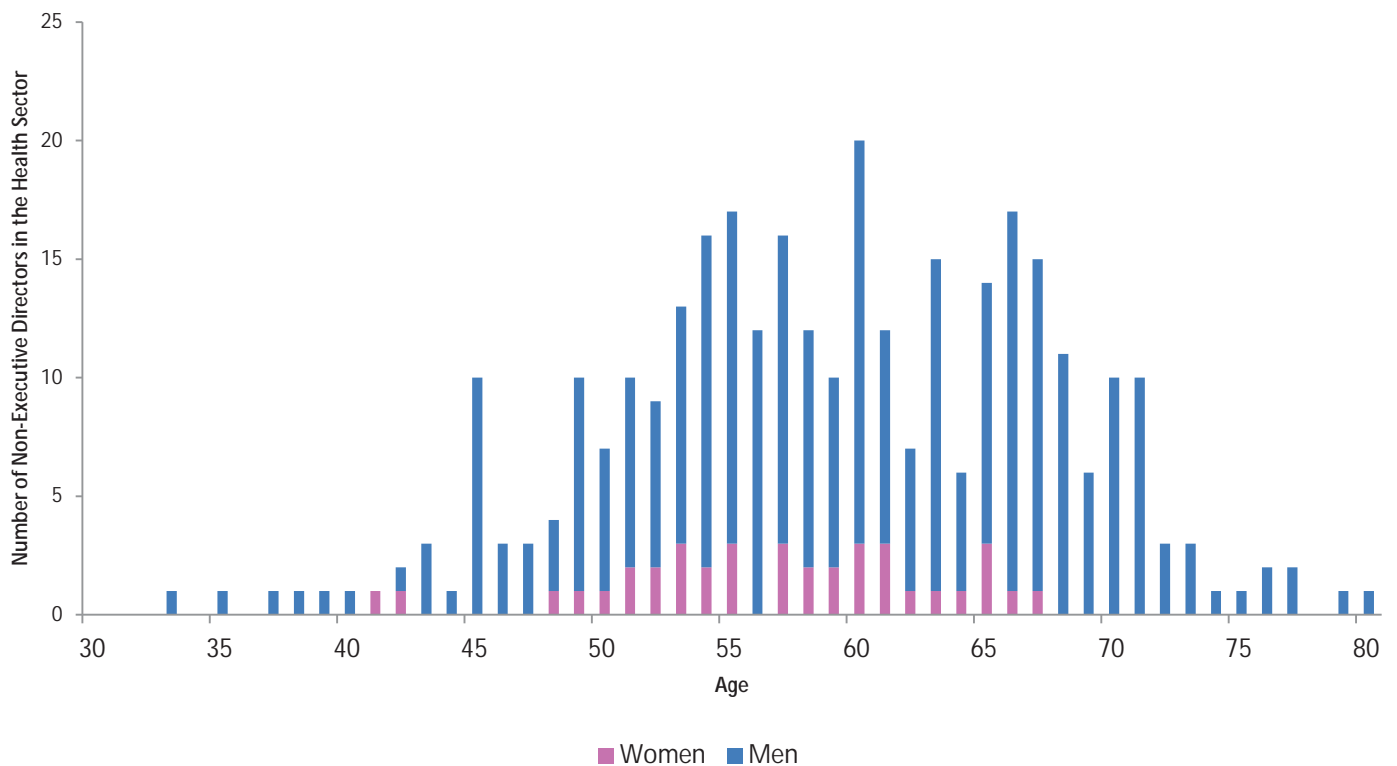


INDUSTRY SECTORS HEALTH

AGE RANGE OF EXECUTIVES IN THE HEALTH SECTOR



AGE RANGE OF NEDS IN THE HEALTH SECTOR





INDUSTRY SECTORS

INDUSTRIAL

Average Age	
Executive	51.74
NED	60.08
% Women	
Executive	3.45%
NED	11.40%
Board	8.36%
% NEDs on Board >9 years	14.00%



The industrial sector is, like construction, a traditionally male-dominated sector and this is reflected on the boards of industrial companies. Perhaps unsurprisingly, industrial companies languish third from bottom when it comes to female board representation.

Industry bodies, such as manufacturers' organisation EEF, have called for more emphasis on helping the industry shed its "dirty and unglamorous image". In time, this should improve gender diversity on boards by attracting more women to the sector.

The industrial sector is one of only two sectors where the average age of Non-Executive Directors is more than 60, suggesting more needs to be done to rebalance the age profile in the sector. This should begin to change over the next 10 years, thanks to an industry-wide push to get more people into manufacturing. At URU Metals, the board has an average age of 41.5, and the CEO has been credited with transforming the company and its shareholder returns.

Tenure for Directors across board positions reflects the cross-industry average, as does the age of Executive Directors.

Sector Specialists:

Tom Lawton, BDO Head of Manufacturing

Neil Holmes, Norman Broadbent Managing Director

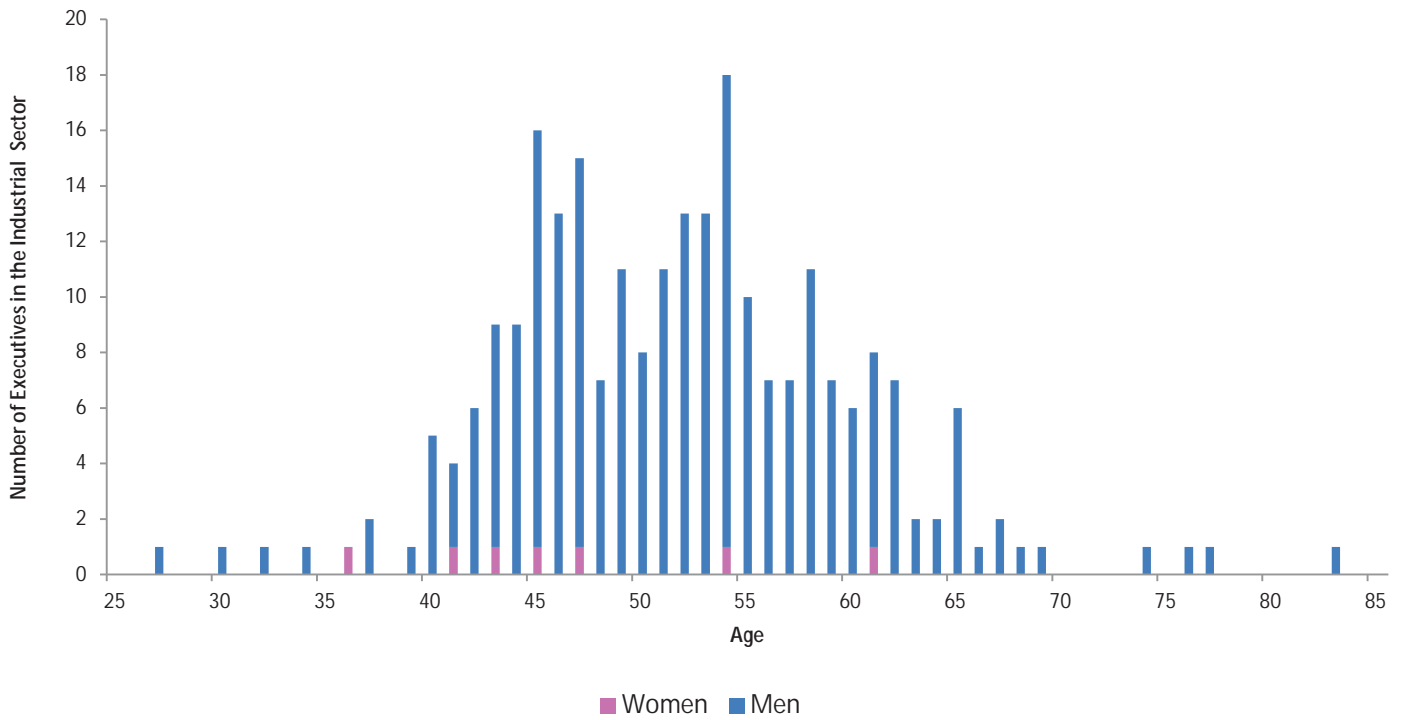
Largest Board	Johnson Matthey Plc	11 Directors
Oldest Board	Tanfield Group Plc	68.7 years
Youngest Board	Uru Metals Ltd	41.5 years
Highest Proportion of Women	Victrex Plc	38% women
Longest Serving Board	Alumasc Group Plc (The)	17.1 years



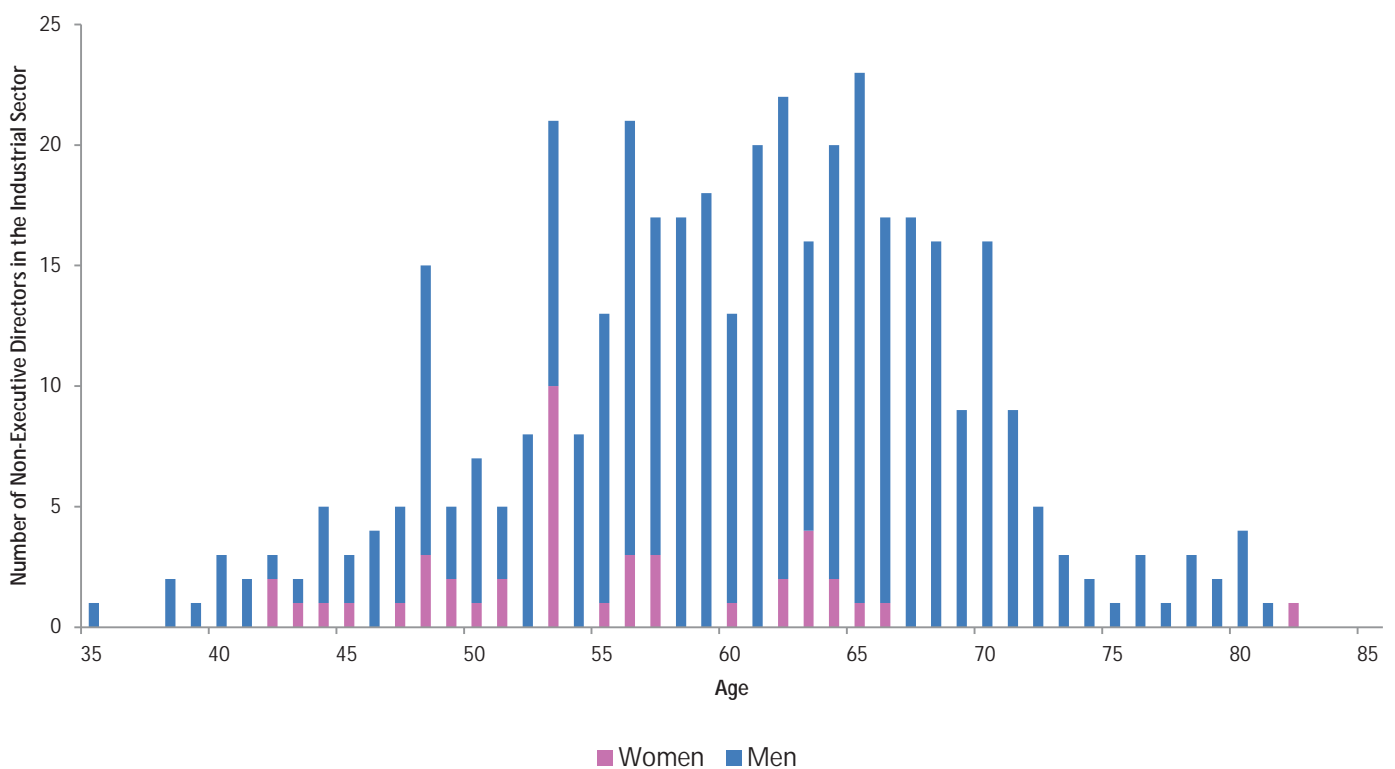
INDUSTRY SECTORS

INDUSTRIAL

AGE RANGE OF EXECUTIVES IN THE INDUSTRIAL SECTOR



AGE RANGE OF NEDS IN THE INDUSTRIAL SECTOR





INDUSTRY SECTORS INVESTMENT COMPANIES

Average Age	
Executive	53.8
NED	60.55
% Women	
Executive	11.90%
NED	16.37%
Board	16.17%
% NEDs on Board >9 years	29.60%



The average age of Executive and Non-Executive Directors of investment companies is slightly older than the average across all sectors (53.8 and 60.5 years respectively). That said, female representation is strong, with the proportion of Non-Executive Directors at around 16%, similar to financial services.

Investment companies have the oldest board members out of all sectors, however, and the number who have served more than nine years on the board is almost triple that of financial services, at almost 30%. The investment industry has the highest proportion of long-serving Non-Executive Directors of all industries surveyed.

Tying in with this relatively high age profile, a recent study by BDO found that the boards of investment companies are more resistant and averse to change. This could have important implications when it comes to making sound financial decisions quickly, especially given the turbulent nature and constant change in our volatile economy.

Sector Specialists:

Mark Hunt, BDO Head of Financial Services

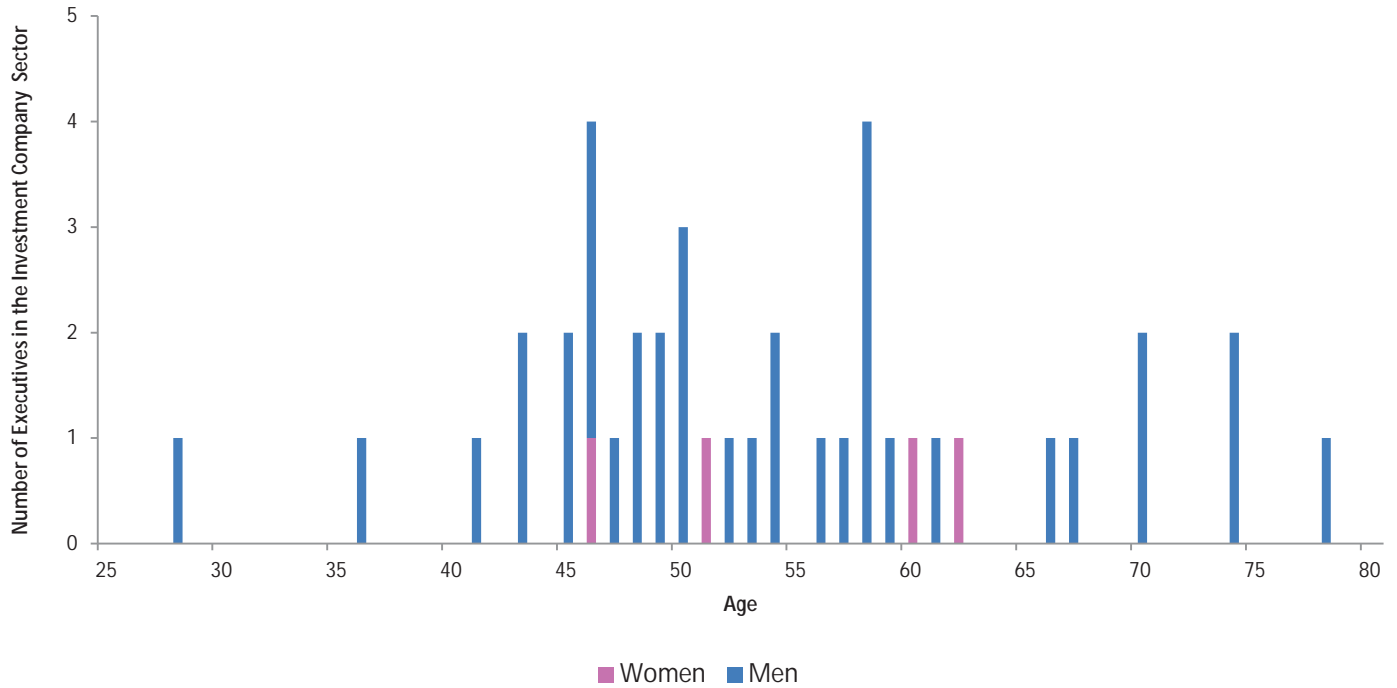
Krystyna Nowak, Norman Broadbent Managing Director

Largest Board	RIT Capital Partners Plc	11 Directors
Oldest Board	Vietnam Holding Ltd	79 years
Youngest Board	Tejoori Ltd	41 years
Highest Proportion of Women	Scottish Oriental Smaller Cos Trust Plc	75% women
Longest Serving Board	London & St Lawrence Investment Co Plc	22 years

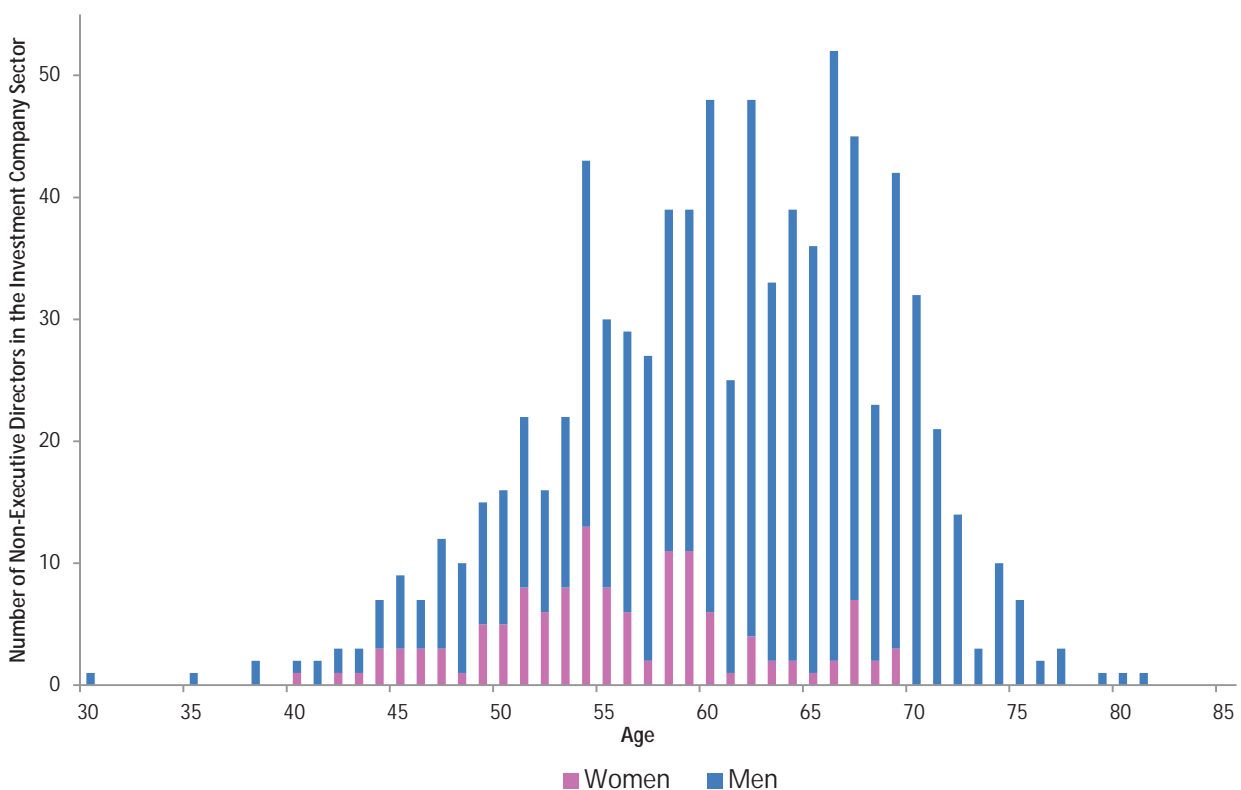


INDUSTRY SECTORS INVESTMENT COMPANIES

AGE RANGE OF EXECUTIVES IN THE INVESTMENT COMPANIES SECTOR



AGE RANGE OF NEDS IN THE INVESTMENT COMPANIES SECTOR





INDUSTRY SECTORS

LEISURE

Average Age	
Executive	50.4
NED	58.55
% Women	
Executive	4.50%
NED	14.39%
Board	10.92%
% NEDs on Board >9 years	13.70%



The average age profile for Executives and Non-Executive Directors in the leisure sector, at 50.4 and 58.55 years respectively, is only slightly younger than the average of all sectors. Maybe surprisingly, the share of female executives is lower than the average at 4.5%, while female representation at Non-Executive Director level is at 14.3%.

One of the increasingly important challenges for hospitality businesses is to gain, build, and retain customer loyalty as the economy recovers. Government regulations and tax issues (such as an increase in Airport Passenger Duty in 2013) have had an impact on the dynamics of the industry.

Social media has become an important tool for companies to engage with customers, and leisure companies must get to grips with digital analytics so they can understand customer behaviour and preferences. They also must acknowledge new trends such as “staycation” and tailoring their offerings accordingly in order to drive growth.

Rising consumer confidence and a rosier employment market means households are spending more money on holidays, but they are also spending more on other non-essentials, such as short breaks and eating out. According to a consumer survey by BrandTrack, 42% of the population ate out in the last week, rising to 58% among 25 to 34-year olds.

Sector Specialists:
 David Campbell, BDO National Head of Consumer Markets
 Sarah Taylor, Norman Broadbent Director

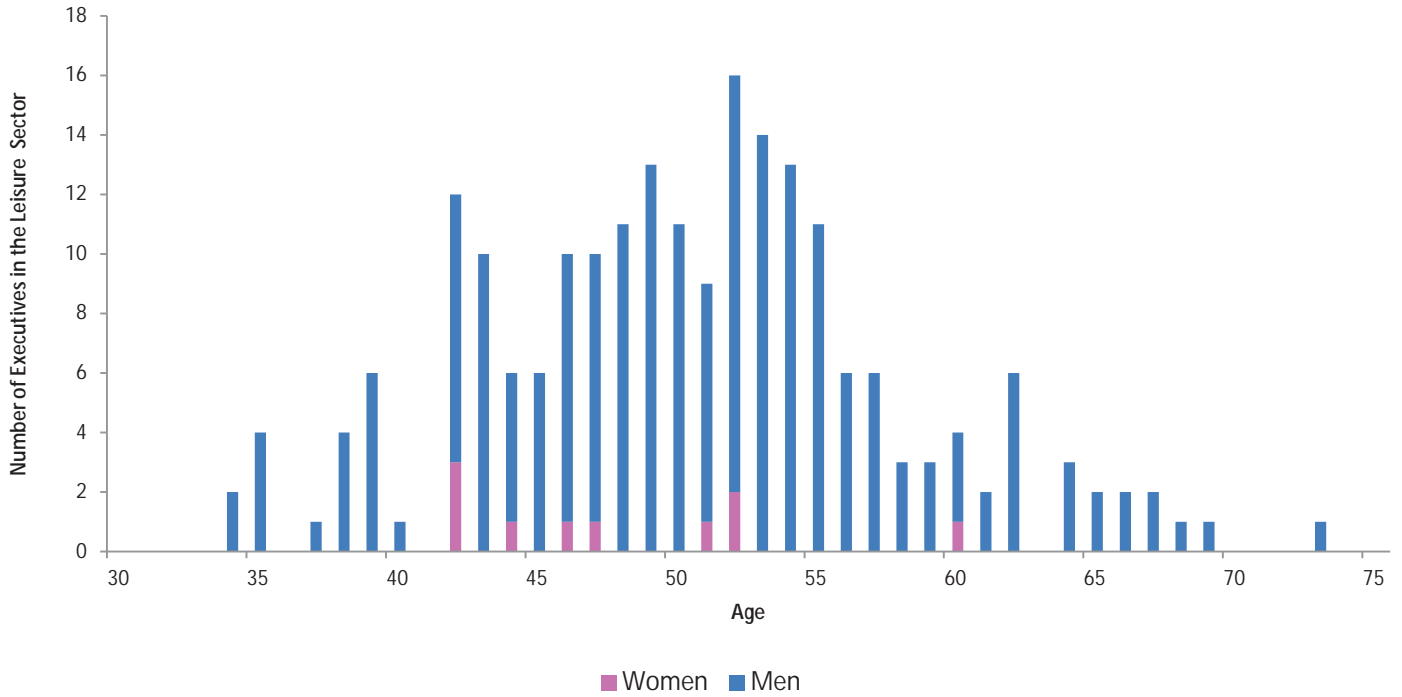
Largest Board	Tui Travel Plc	14 Directors
Oldest Board	Noida Toll Bridge Co Ltd	67.1 years
Youngest Board	Prezzo Plc	46.1 years
Highest Proportion of Women	Hellenic Carriers Ltd	40% women
Longest Serving Board	Heavitree Brewery Plc	21.6 years



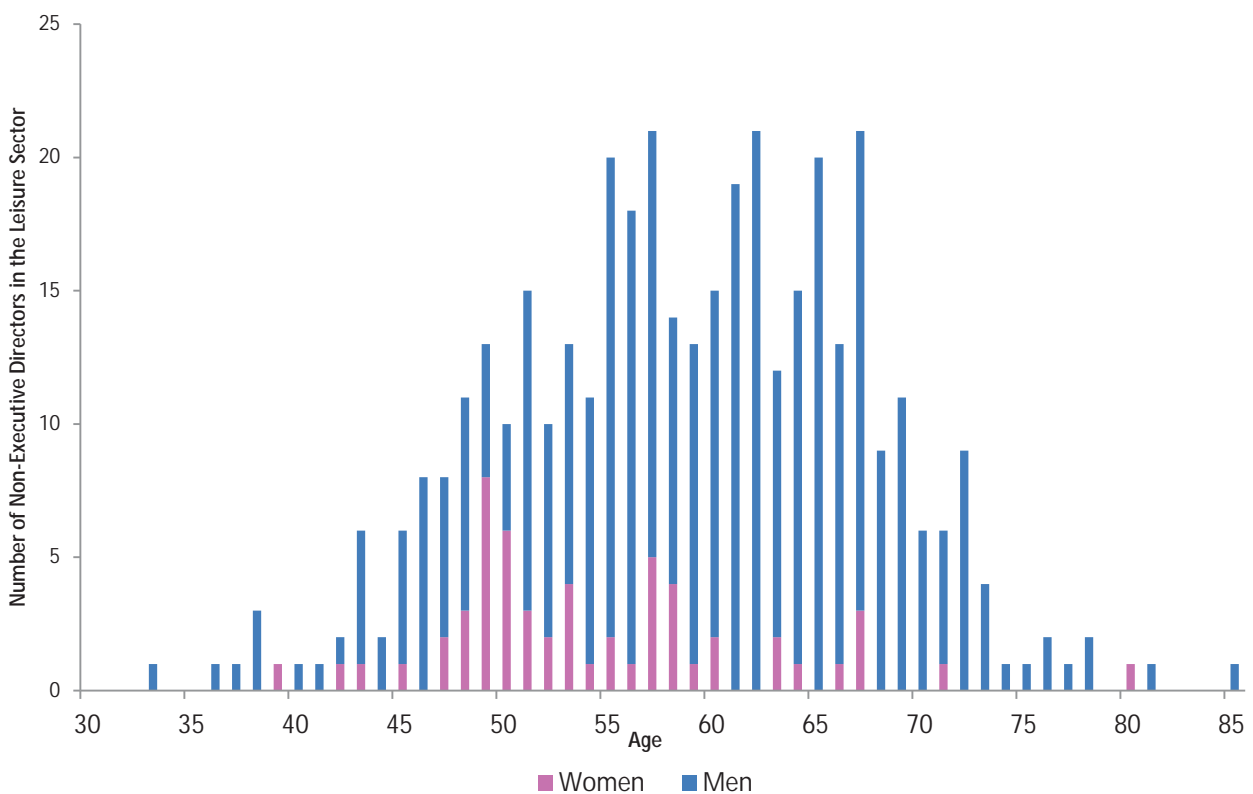
INDUSTRY SECTORS

LEISURE

AGE RANGE OF EXECUTIVES IN THE LEISURE SECTOR



AGE RANGE OF NEDS IN THE LEISURE SECTOR





INDUSTRY SECTORS

MEDIA

Average Age	
Executive	51.66
NED	57.98
% Women	
Executive	10.87%
NED	14.74%
Board	13.19%
% NEDs on Board >9 years	11.80%



The media is often portrayed as a diverse sector full of young and dynamic workers. To a certain extent, our figures back this up.

Women are well represented at board level, accounting for 10.9% of Executive Director positions, second only to investment companies. However, there are certain sub-sectors where women are still very underrepresented.

In journalism, for example, women are in almost equal proportions when it comes to news reporting, but there is still a lack of female representation in senior management positions. In the computer games sector, just 11% of developers are women – despite the fact nearly half of all gamers are now women.

Whilst board tenure reflects the pan-industry average, the gap between the length of time women spend on the board compared to men is one of the highest for all industries. The age of Executive Directors within the sector is around average, although Non-Executive Directors are younger than average, suggesting that companies may look to harness the knowledge of a more media savvy younger generation.

An example of this is the board of Stallion Resources, which specialises in the production and commercialisation of children’s CGI television series and brands. Its board has an average age of just 39. Meanwhile, the current acting CEO of Netplay TV plc is just 31. With the exception of two natural resources companies, this makes him the youngest CEO of any UK-based plc.

Sector Specialists:

Andrew Viner, BDO Head of Media

Adam Turner, Norman Broadbent Managing Director

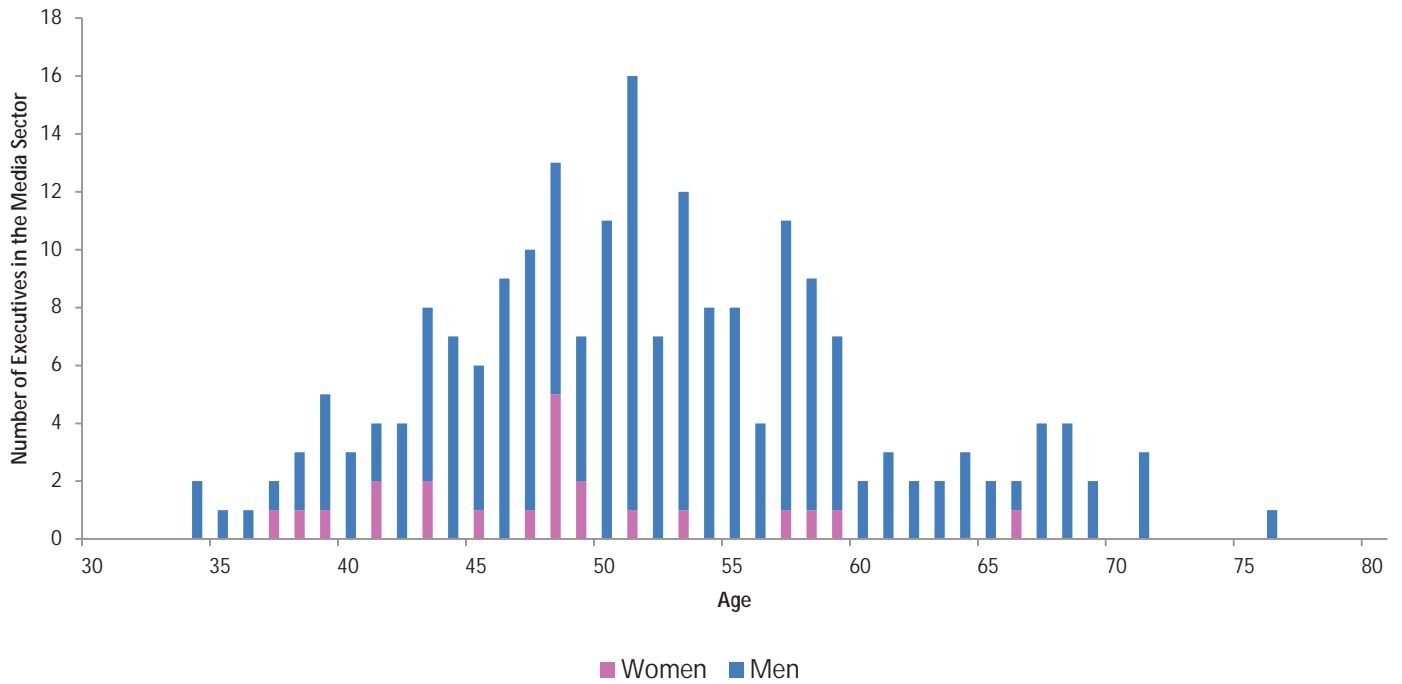
Largest Board	WPP Plc	17 Directors
Oldest Board	Photo-Me International Plc	68.5 years
Youngest Board	Stallion Resources Plc	39 years
Highest Proportion of Women	Verdes Management Plc	67% women
Longest Serving Board	Character Group Plc (The)	17.4 years



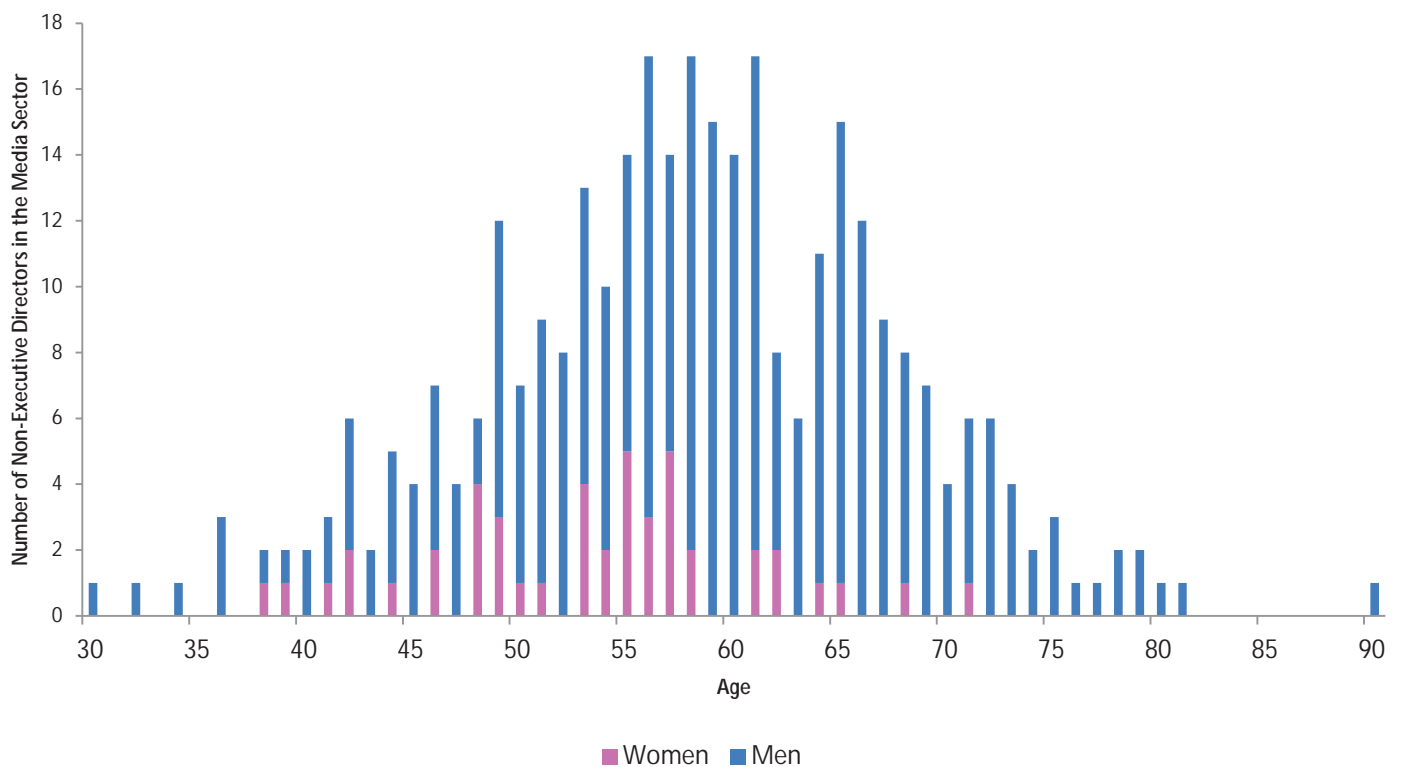
INDUSTRY SECTORS

MEDIA

AGE RANGE OF EXECUTIVES IN THE MEDIA SECTOR



AGE RANGE OF NEDS IN THE MEDIA SECTOR





INDUSTRY SECTORS

REAL ESTATE

Average Age	
Executive	51.81
NED	58.51
% Women	
Executive	2.49%
NED	11.34%
Board	8.71%
% NEDs on Board >9 years	11.10%



Board diversity within real estate companies is one of the worst of all sectors: women are poorly represented across all board positions, with the picture at its worst for Executive Director positions. In fact, fewer than one in 40 Executive Directors are female in this sector.

Like the industrial sector, the lack of gender diversity stems from problems with retaining female staff at more junior levels in their careers: the shift in female representation between RICS trainee level (28%) and chartered level (13%) suggests that women are dropping out when their careers are still fairly embryonic.

By contrast, the age of Directors is relatively young compared to the average, particularly amongst Non-Executive Directors (58.5 years). A great example of this can be seen at Craven House Capital plc, where the board age averages just 35.7 years – the youngest of any listed company in the UK. This trend towards younger boards, whilst refreshing, does raise concerns about why women are not better represented.

Part of the issue with diversity may be down to long-serving boards: some property development companies have boards with exceptionally long tenure, which could be indicative of resistance to change. Cardiff Property plc has the longest serving board of any quoted company, at 25.1 years.

Sector Specialists:

Solly Benaim, BDO Head of Real Estate

Krystyna Nowak, Norman Broadbent Managing Director

Julian Ortner, Norman Broadbent Director

Largest Board	Derwent London Plc	13 Directors
Oldest Board	Investors In Global Real Estate Ltd	71 years
Youngest Board	Craven House Capital Plc	35.7 years
Highest Proportion of Women	Standard Life Investments Property Income Trust Lt	40% women
Longest Serving Board	Cardiff Property Plc	25.1 years



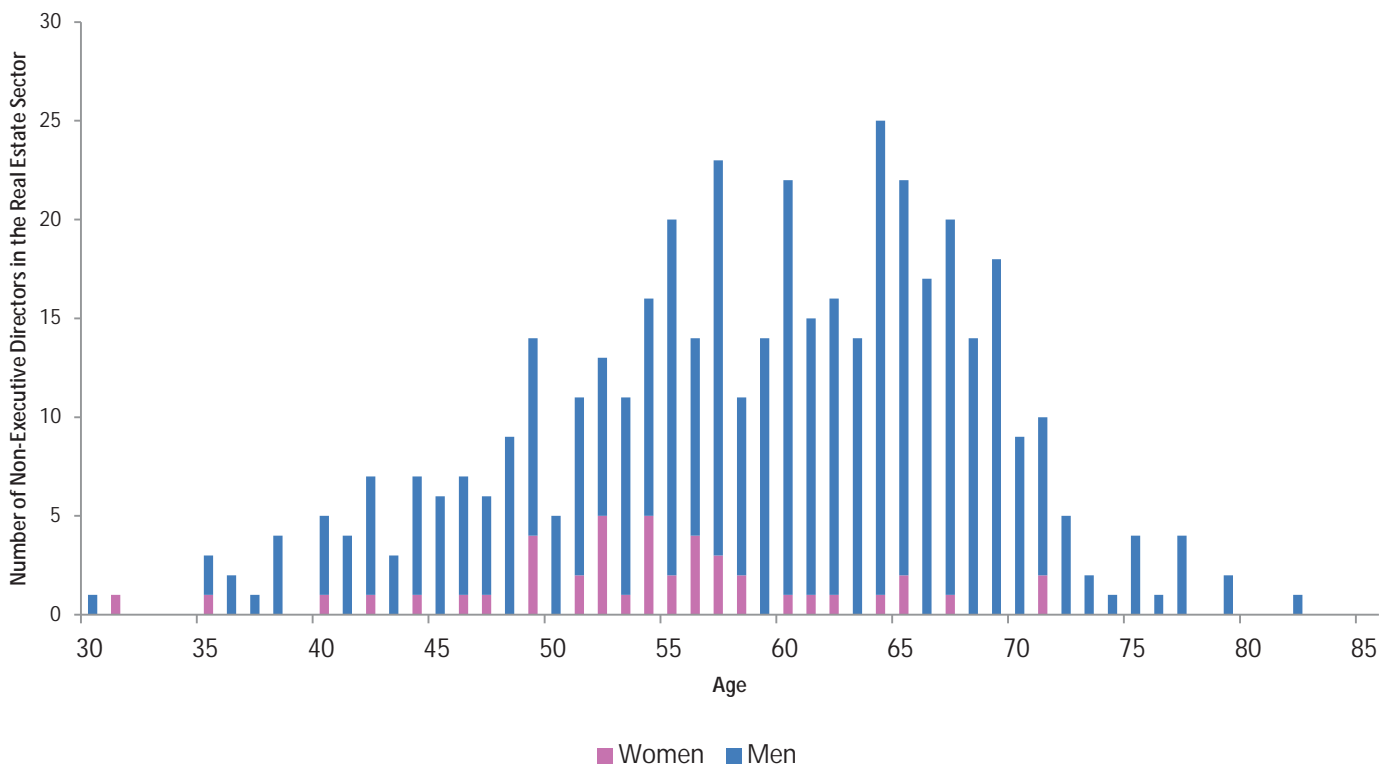
INDUSTRY SECTORS

REAL ESTATE

AGE RANGE OF EXECUTIVES IN THE REAL ESTATE SECTOR



AGE RANGE OF NEDS IN THE REAL ESTATE SECTOR





INDUSTRY SECTORS RESOURCES

Average Age	
Executive	53.47
NED	59.65
% Women	
Executive	4.11%
NED	6.37%
Board	5.61%
% NEDs on Board >9 years	10.30%



The resources sector is historically a male-dominated and traditional industry, and this is clearly reflected in the average age and gender representation of Executive and Non-Executive Directors in mining, oil and gas companies.

However, the global financial crisis, among other challenges, has changed the traditional dynamics of how the industry operates, so leaders at the top need to be equipped to respond and innovate if they want to achieve growth.

The average age of Executives, at around 53, is slightly higher than for all industries combined, and there is a below-average share of women in Executive and Non-Executive Director roles. Only 4.1% of Executive Director roles go to women, and 6.4% of Non-Executive posts. There is a conscious effort to change the workforce landscape and get more women involved, however, with initiatives such as Women in Mining (WIM).

Sector Specialists:

Scott McNaughton, BDO Head of Natural Resources

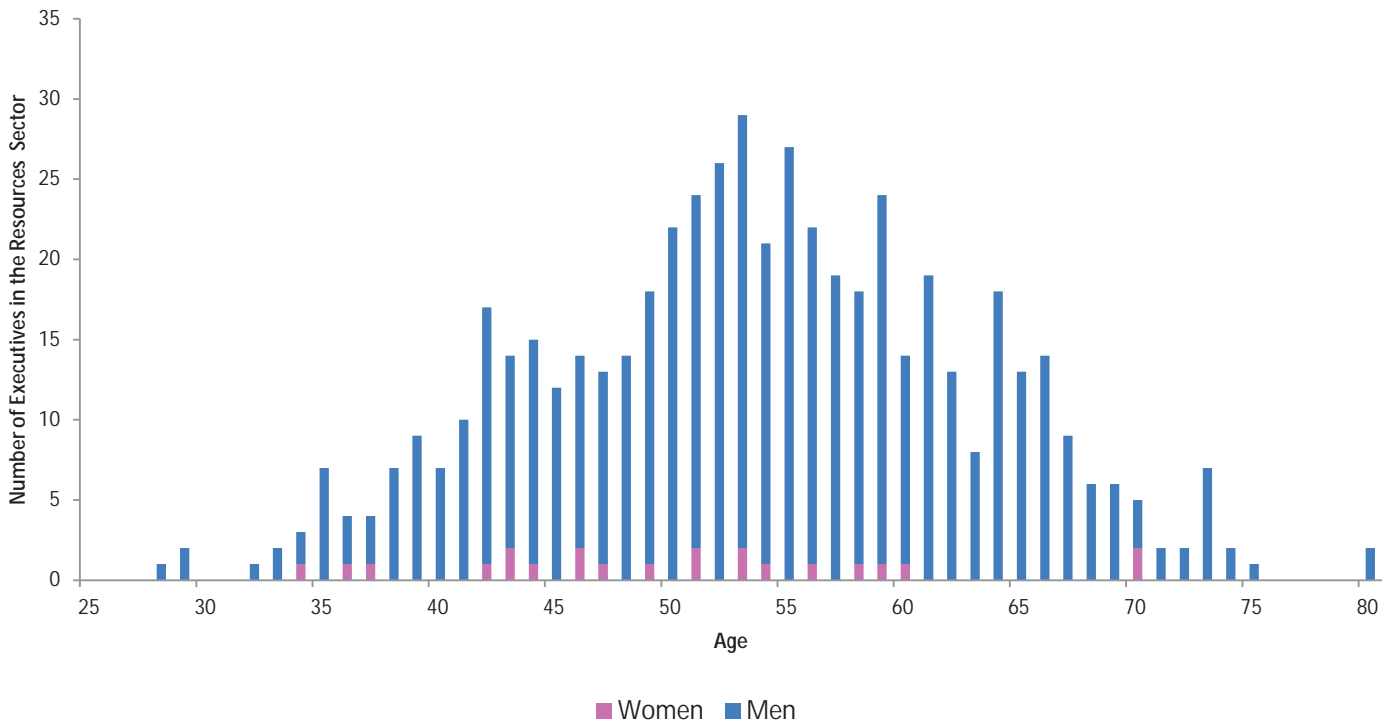
Krystyna Nowak, Norman Broadbent Managing Director

Largest Board	BHP Billiton Plc / BP Plc	14 Directors
Oldest Board	Sunkar Resources Plc	74 years
Youngest Board	Central Rand Gold Ltd	39 years
Highest Proportion of Women	Petro Matad Ltd	44% women
Longest Serving Board	Frontera Resources Corp	14.1 years

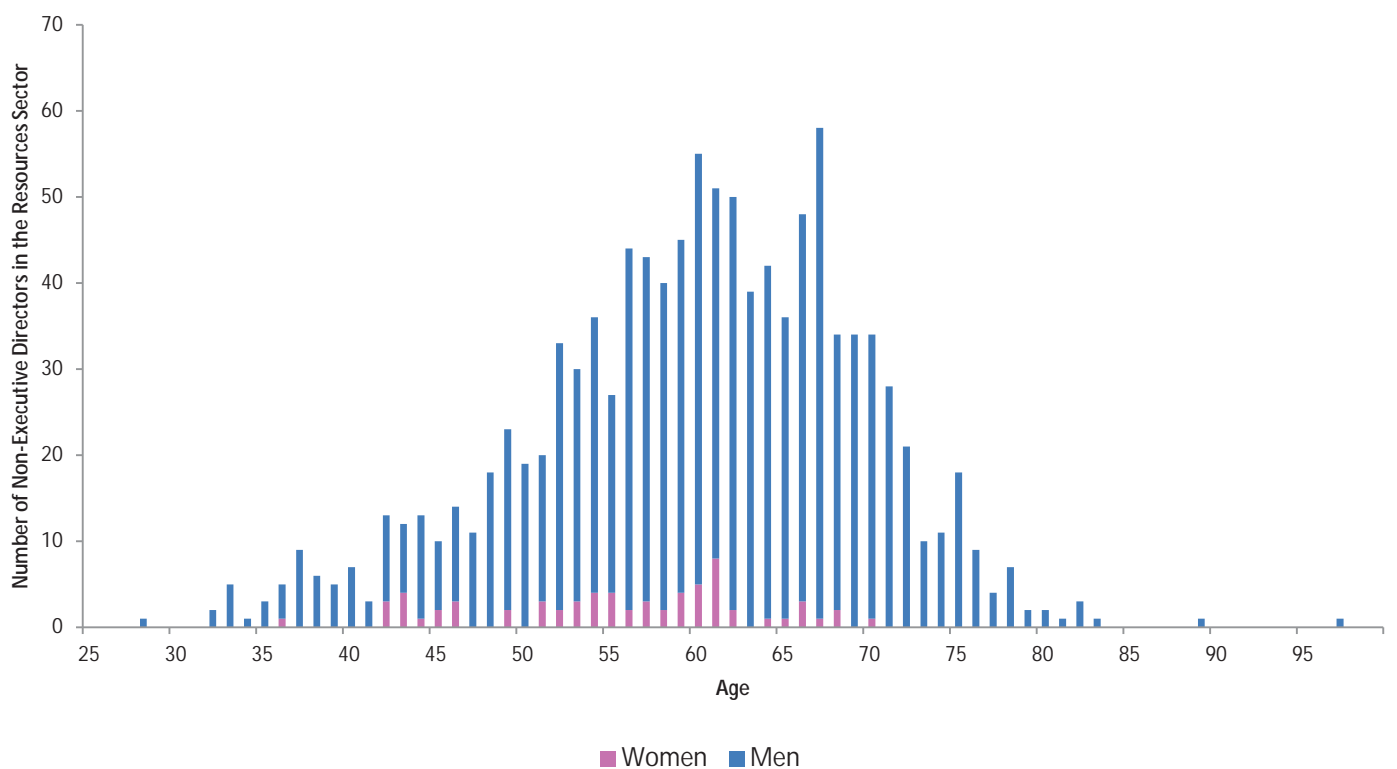


INDUSTRY SECTORS RESOURCES

AGE RANGE OF EXECUTIVES IN THE RESOURCES SECTOR



AGE RANGE OF NEDS IN THE RESOURCES SECTOR





INDUSTRY SECTORS

RETAIL

Average Age	
Executive	51.48
NED	56.98
% Women	
Executive	8.16%
NED	25.77%
Board	19.41%
% NEDs on Board >9 years	9.60%



The retail sector's gender diversity record is impressive. The retail sector has the highest share of female Non-Executive Directors amongst all industries surveyed - it is double the average at 25.8%. Furthermore, the share of female Executive Directors is also higher than the average for all industries (8.2% versus 6.2%).

However, it's important to remember that, even though more than half of the workforce in retail is female, the majority of senior positions are still being filled by men.

The average Executive age profile in the retail sector (51 years) is very close to the age profile for all industries, whilst the average age of Non-Executive Directors is slightly younger than the overall average at 56.98 years. At just under 10%, the retail sector has the smallest proportion of Non-Executive Directors who have served more than nine years on the board.

Women constitute an important part of the sector customer base, and this must also be reflected in the leadership demographic of companies operating in this sector. After all, understanding consumer behaviour and customer needs are essential factors in driving performance.

Sector Specialists:

Sophie Bevan, BDO Head of Retail

Kate Latham, Norman Broadbent Managing Director

Patricia Ruiz-Casaux, Norman Broadbent Director

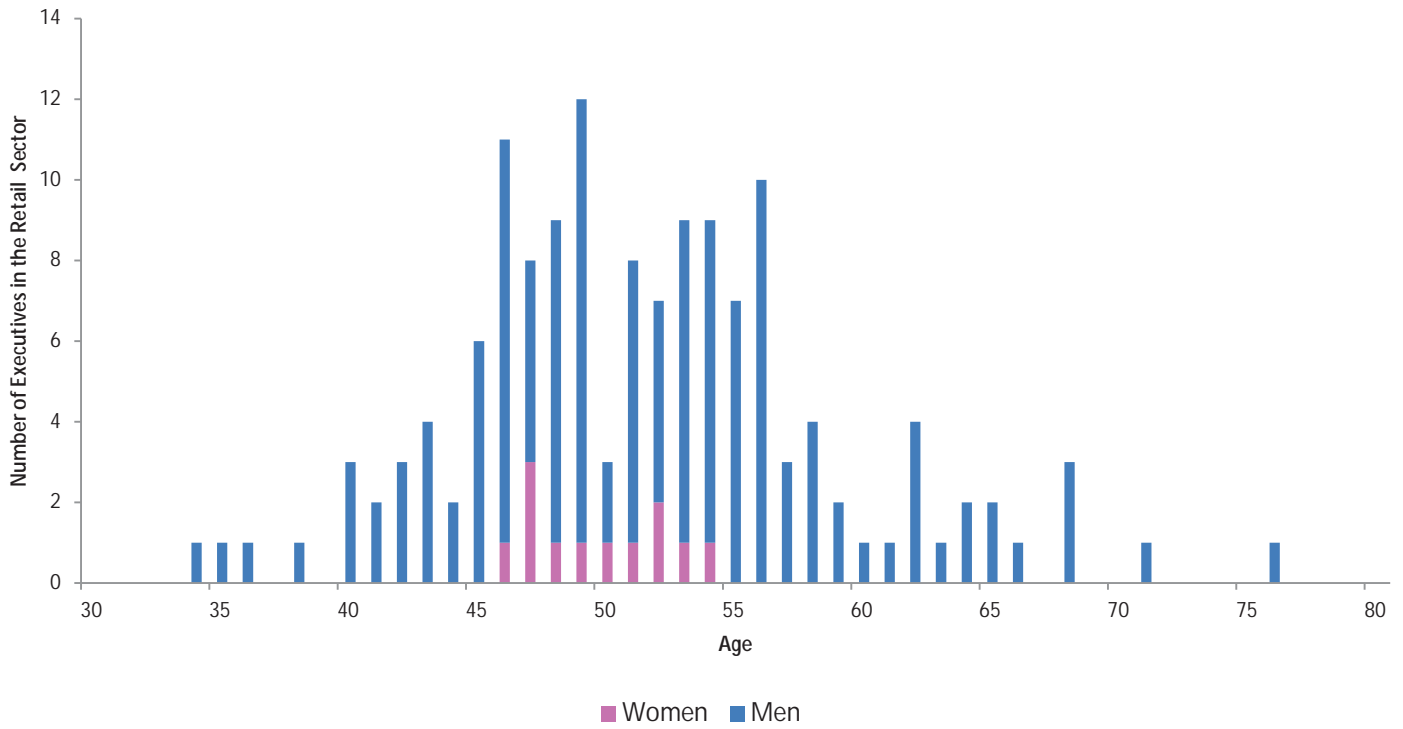
Largest Board	Marks & Spencer Group Plc	14 Directors
Oldest Board	Toye & Co Plc	62.4 years
Youngest Board	Koovs Plc	46.7 years
Highest Proportion of Women	Bonmarche Holdings Plc	40% women
Longest Serving Board	Slingsby(H.C.) Plc	18 years



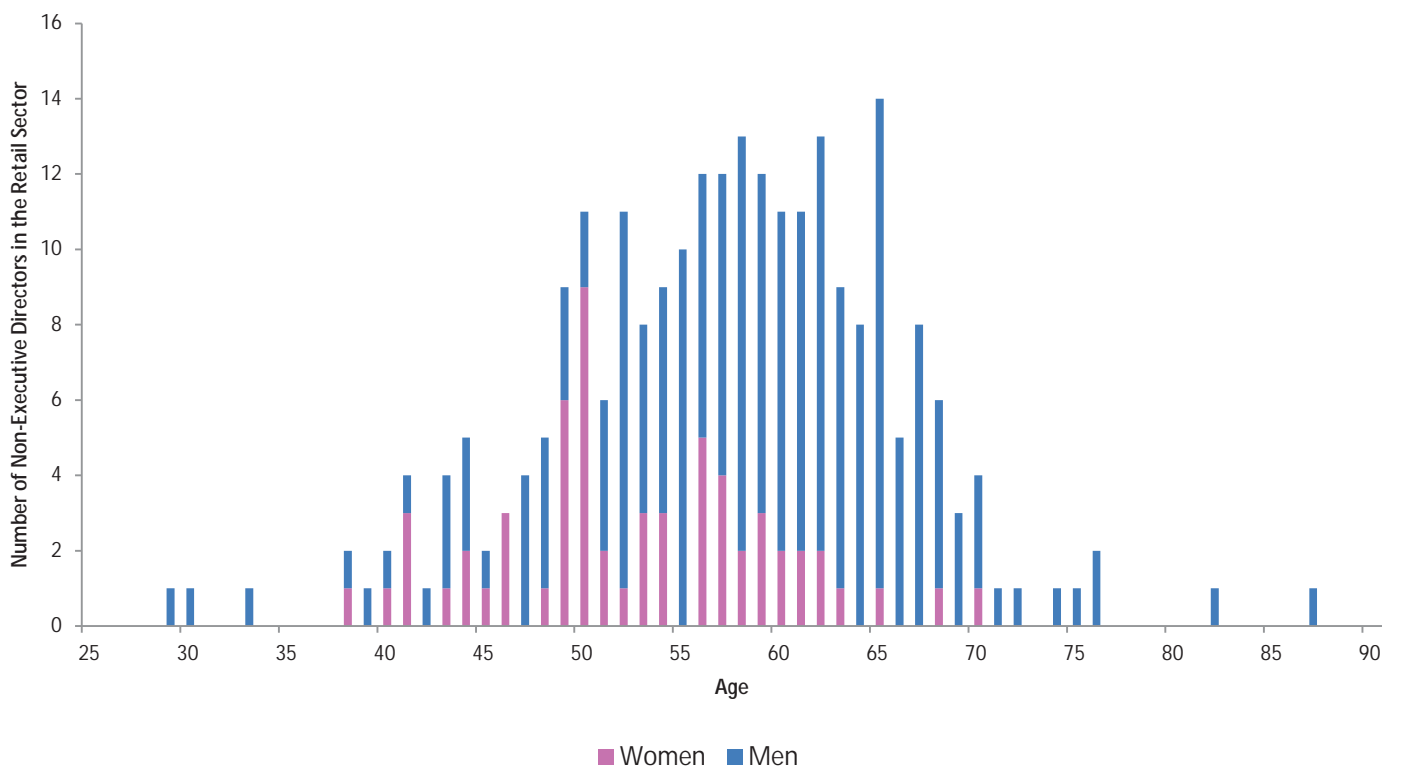
INDUSTRY SECTORS

RETAIL

AGE RANGE OF EXECUTIVES IN THE RETAIL SECTOR



AGE RANGE OF NEDS IN THE RETAIL SECTOR





INDUSTRY SECTORS SERVICES

Average Age	
Executive	51.93
NED	59.06
% Women	
Executive	8.84%
NED	14.04%
Board	11.86%
% NEDs on Board >9 years	13.60%



Boards in this sector exhibit a fair degree of gender diversity, with women making up nearly 9% of Executive Director positions (the third highest of all sectors), and 14% of Non-Executive Director roles.

The sector also boasts a number of strong senior female role models, such as Ruby McGregor-Smith, the CEO of FTSE 250 outsourcing company Mitie. She has famously spoken out against setting quotas for boards, instead urging businesses to celebrate achievement and look at flexible working policies to foster diversity.

Leading the diversity march are accountancy firms, who are under increasing pressure to promote more women into partnership positions, and quoted companies are following suit.

A further trend is that, whilst the average age across all sectors of Non-Executive Directors is 59, women in Non-Executive Director roles in business services tend to be much younger, with the modal age of 53.

Non-Executive Directors in this sector generally serve on boards longer than average, with 13.6% having served on the board for over nine years. Paul Pindar, the former CEO of Capita, recently quit the role after admitting that, at 54, he had spent half his life at the business. One of his primary reasons for leaving was to “let the younger generation have their chance”.

Sector Specialists:

Nick Carter-Pegg, BDO Head of Professional Services

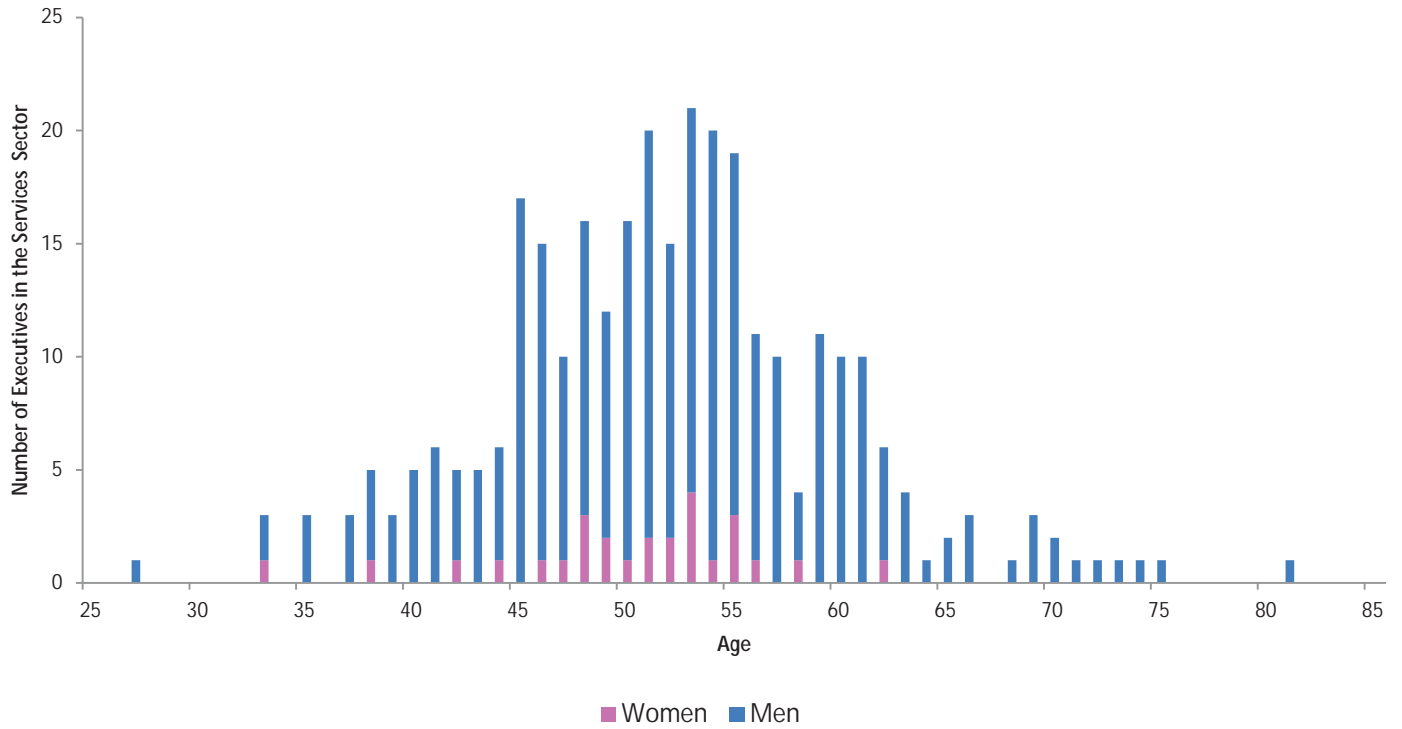
Sue O’Brien, Norman Broadbent CEO

Largest Board	Experian Plc	13 Directors
Oldest Board	Security Research Group Plc	67.6 years
Youngest Board	Ienergizer Ltd	44.7 years
Highest Proportion of Women	Impellam Group Plc	50% women
Longest Serving Board	Andrews Sykes Group Plc	13.1 years

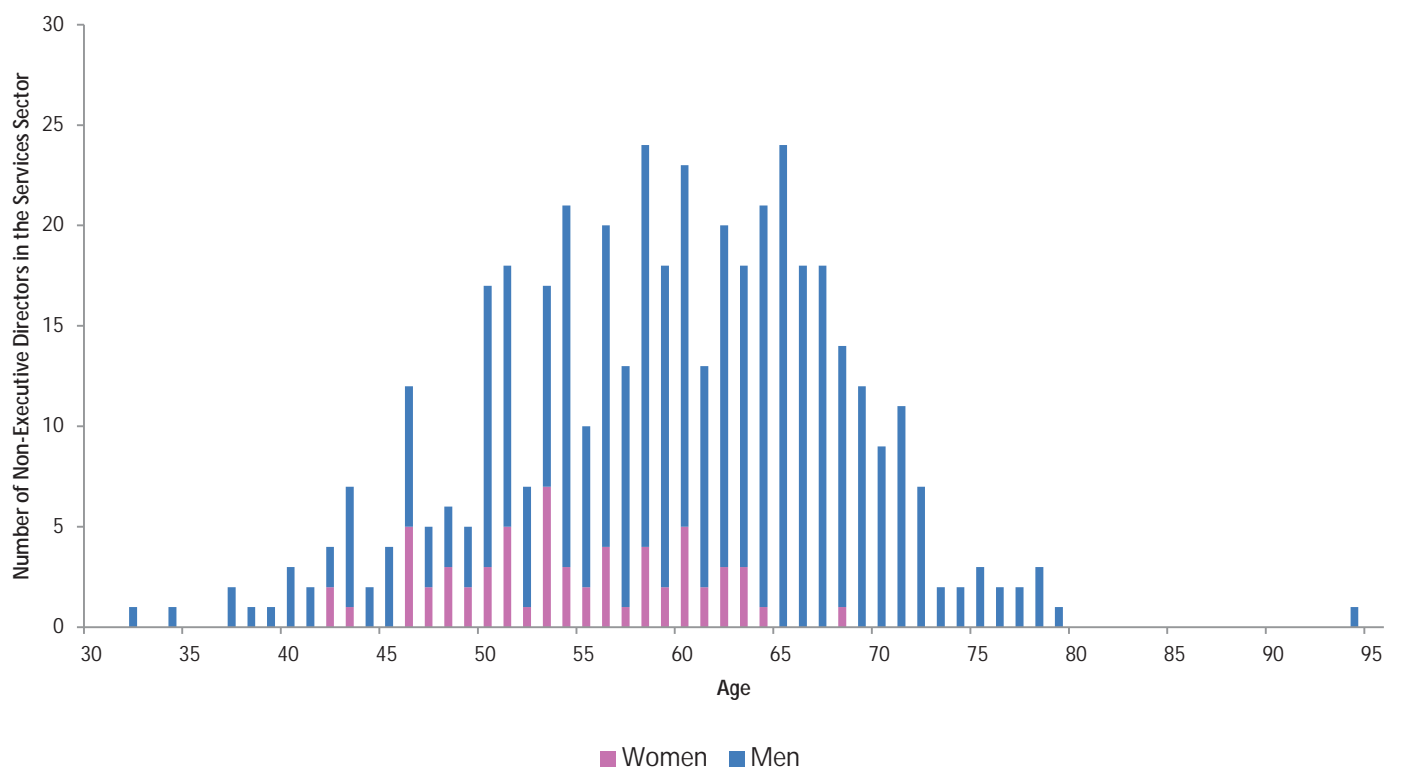


INDUSTRY SECTORS SERVICES

AGE RANGE OF EXECUTIVES IN THE SERVICES SECTOR



AGE RANGE OF NEDS IN THE SERVICES SECTOR





INDUSTRY SECTORS TECHNOLOGY

Average Age	
Executive	50.96
NED	58.79
% Women	
Executive	6.89%
NED	10.27%
Board	8.88%
% NEDs on Board >9 years	13.00%



In the past, the technology sector has had a reputation for being male-dominated, and this is still reflected in the composition of its boards. Whilst women are well represented amongst the Executive Director community, the percentage of women in Non-Executive Director and general board positions is significantly lower than the industry average.

Just 8.9% of technology boards comprise women, significantly lower than a sector it is often compared with – the media sector – which boasts 11.2% women on boards.

Perhaps unsurprisingly, the average age of Executive Directors is below average, at 50.96 years. Whilst older professionals dominate the boards of larger technology companies, smaller AIM-listed businesses often have very young board members which pull down the overall average: the CEO of Access Intelligence is 33 (and, incidentally, a woman), whilst James Livingston is a Non-Executive Director of Zoo Digital Group plc – at just 33.

One of the most successful and high profile CEOs in the sector is Daisy Telecom’s Matthew Riley – only 40 years old. Over time, the average age of technology board members is likely to get even younger as we emerge from the downturn and more young and successful tech firms seek flotation.

Board tenure is fairly average compared to most sectors although many of the board members of the types of young, tech start-ups discussed above have been on the board for the duration of the company’s existence – with many openly claiming they have little intention of leaving in the near term.

Sector Specialists:

Julian Frost, BDO Head of Technology, Media & Telecoms

Adam Turner, Norman Broadbent Managing Director

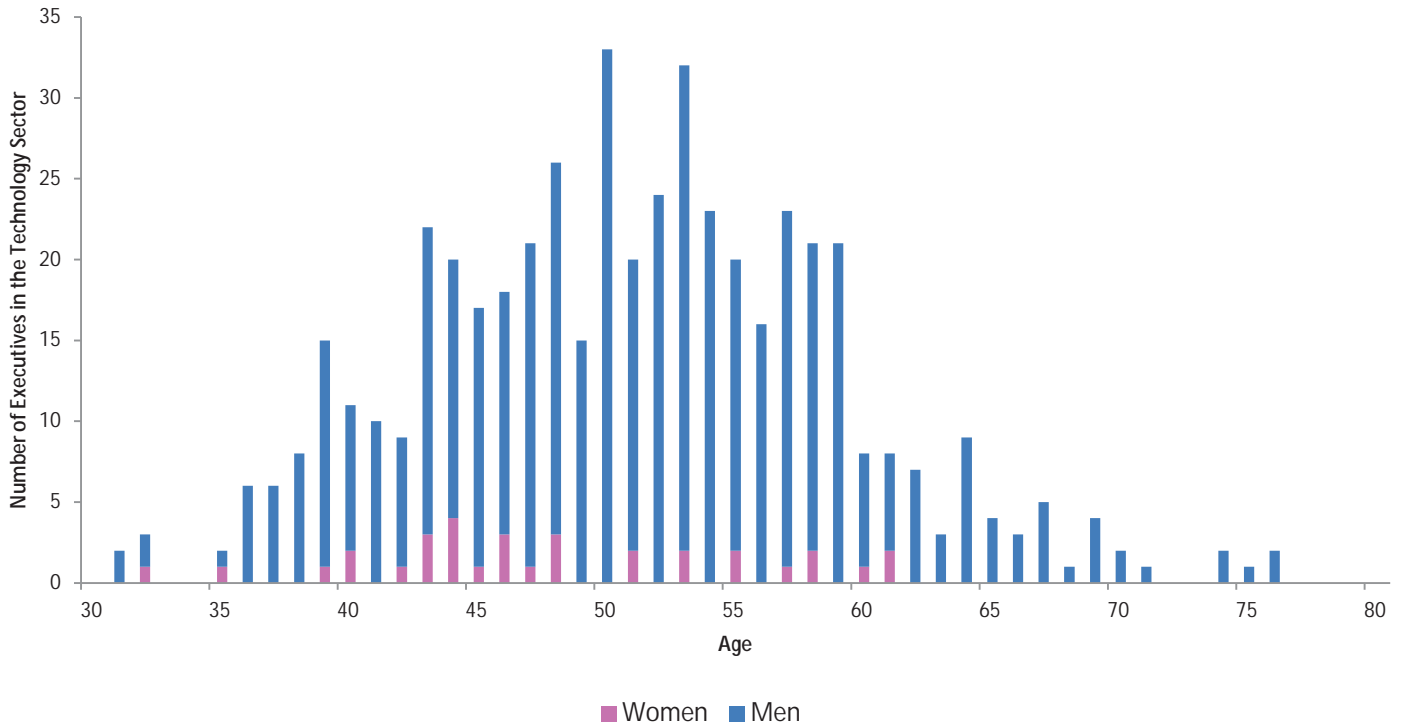
Sophie Le Hardy, Norman Broadbent Consultant

Largest Board	Monitise Plc / Vodafone Group Plc	14 Directors
Oldest Board	Bond International Software Plc	66.7 years
Youngest Board	Rapidcloud International Plc	42.3 years
Highest Proportion of Women	Coms Plc	40% women
Longest Serving Board	LPA Group Plc	21.2 years

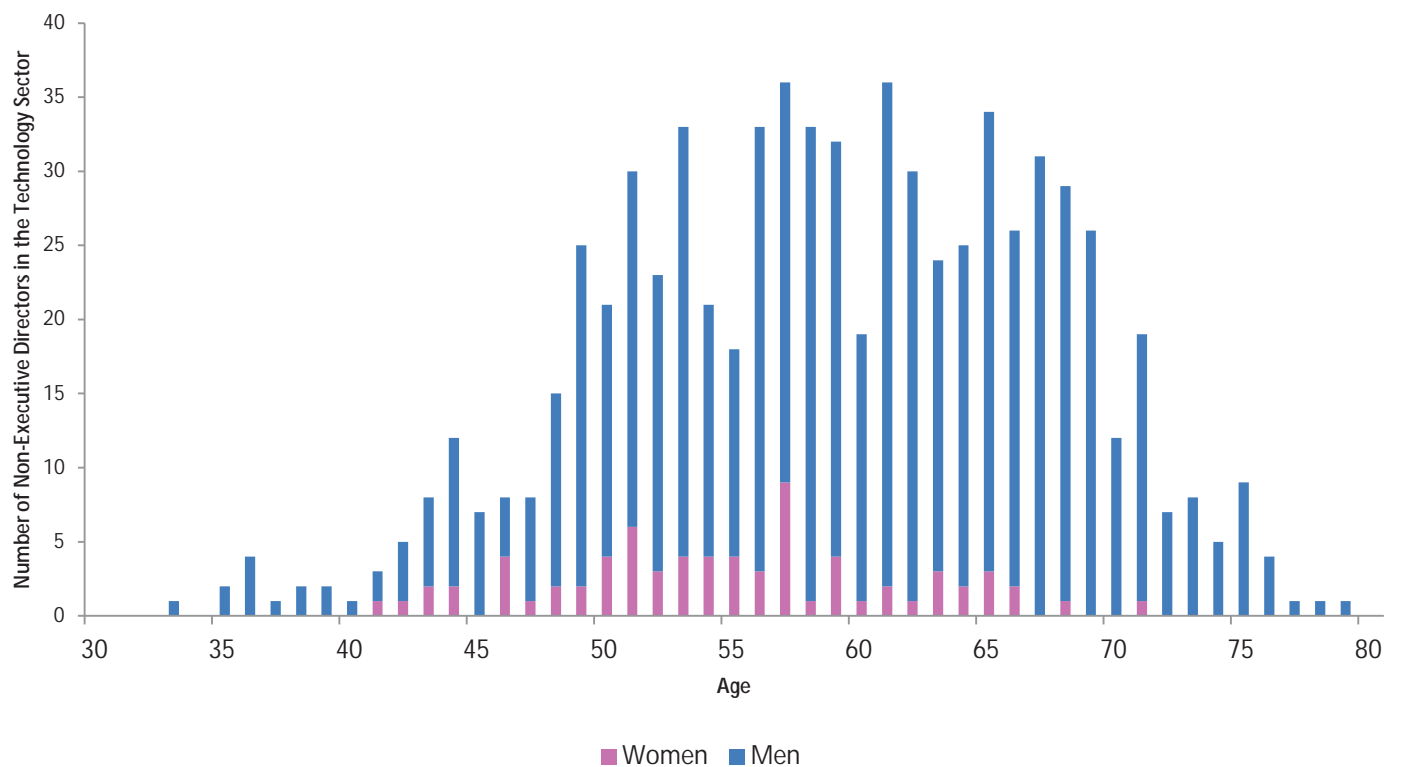


INDUSTRY SECTORS TECHNOLOGY

AGE RANGE OF EXECUTIVES IN THE TECHNOLOGY SECTOR



AGE RANGE OF NEDS IN THE TECHNOLOGY SECTOR





INDUSTRY SECTORS

UTILITIES

Average Age	
Executive	50.21
NED	59.06
% Women	
Executive	6.60%
NED	14.92%
Board	11.85%
% NEDs on Board >9 years	12.20%



The utilities sector has largely remained unchanged over the last century, but with the arrival of new technologies, the industry is facing a different set of challenges. A board with a good mix of backgrounds and gender will help companies address the issues surrounding customer expectations and effective pricing models.

Boards will also need to address issues such as energy storage, new sources of energy supply, not to mention compliance and governmental regulations, which have gained in importance and momentum.

At the moment, the share of women acting as Executive and Non-Executive Directors is similar to the overall average – 6.6% and just under 15% respectively. This is in contrast with the resources sector, in particular, where only 6.4% are female. The percentage of Non-Executive Directors who have been on the board for more than nine years (12.2%) is slightly lower than the average.

The average age of Executive Directors in the utilities sector (utilities, energy and renewable energy) is slightly younger than the overall average, at 50.2 years. The average age for Non-Executive Directors in this sector is in line with the average across all sectors.

Sector Specialists:

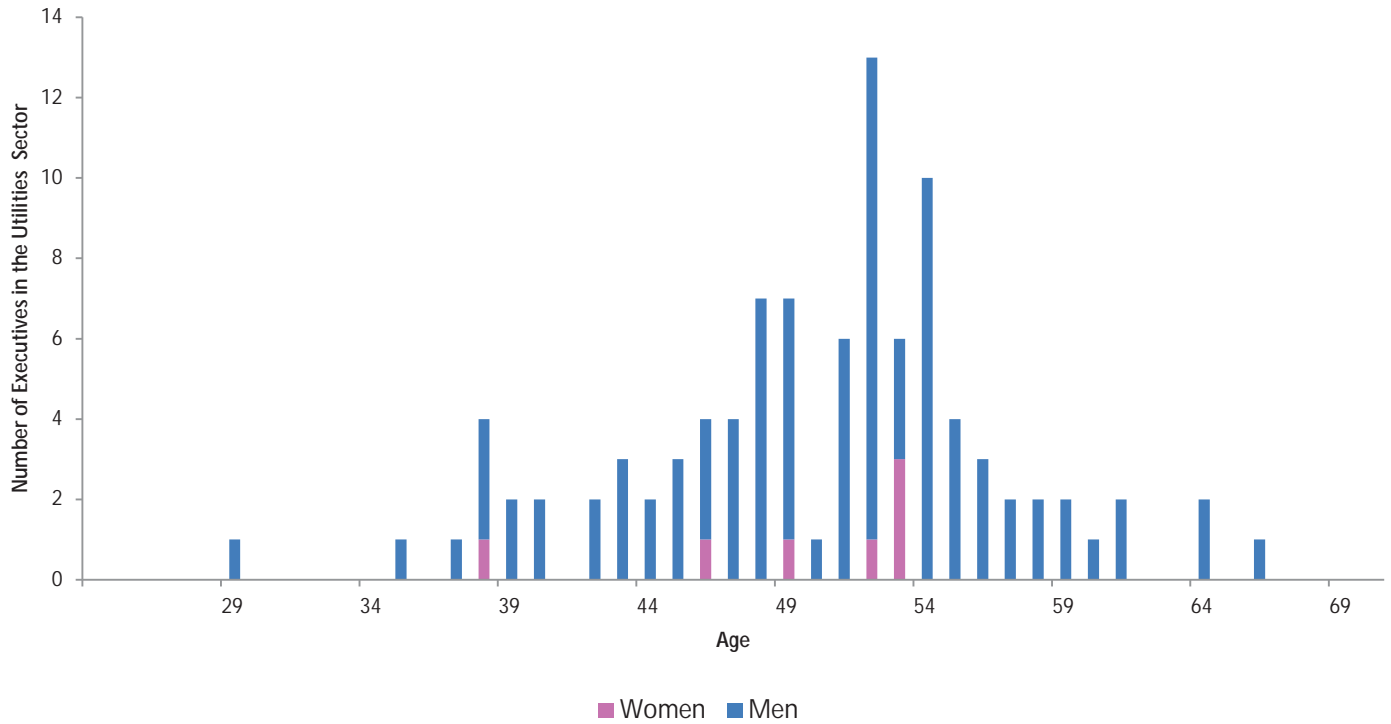
Scott McNaughton, BDO Head of Natural Resources
Neil Holmes, Norman Broadbent Managing Director

Largest Board	National Grid Plc	14 Directors
Oldest Board	OPG Power Ventures Plc	63.7 years
Youngest Board	CEB Resources Plc	41 years
Highest Proportion of Women	Good Energy Group Plc	43% women
Longest Serving Board	Jersey Electricity Plc	9.9 years

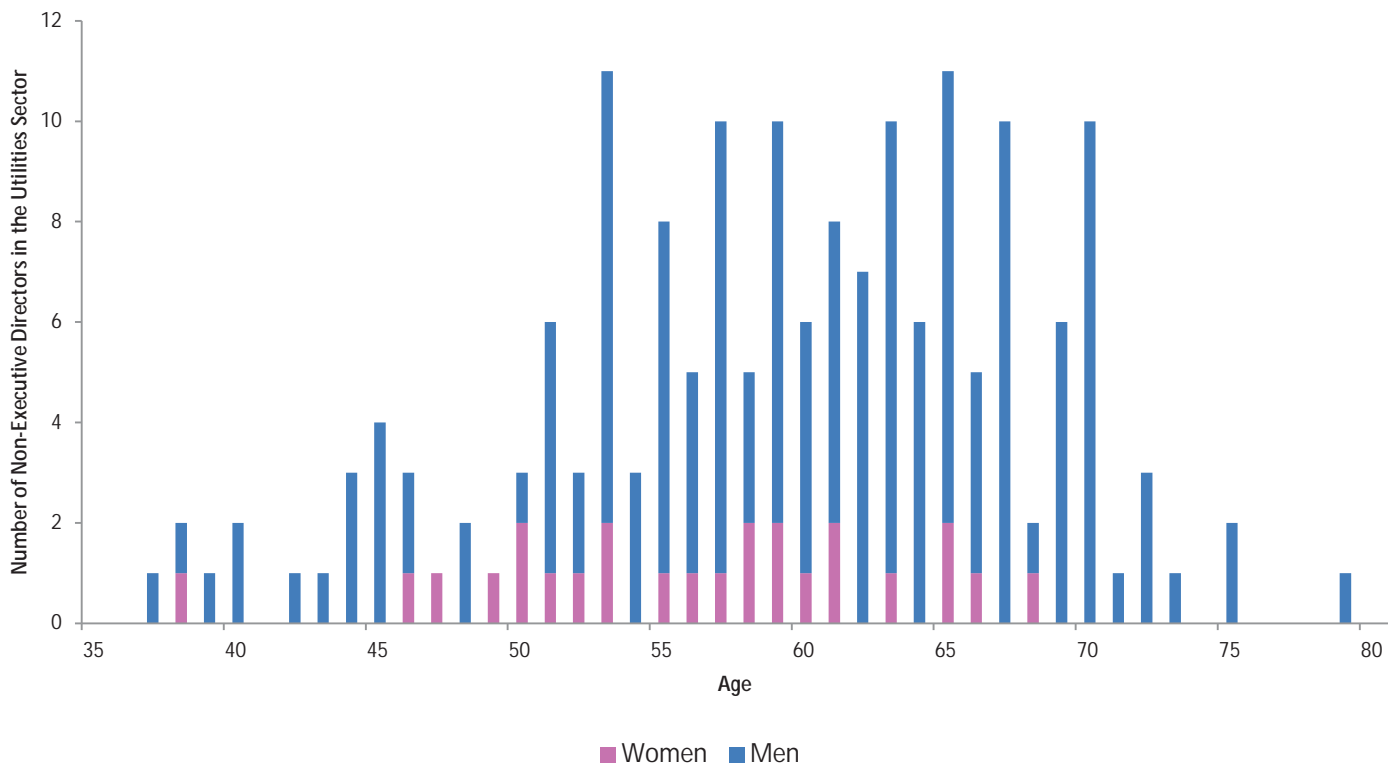


INDUSTRY SECTORS UTILITIES

AGE RANGE OF EXECUTIVES IN THE UTILITIES SECTOR



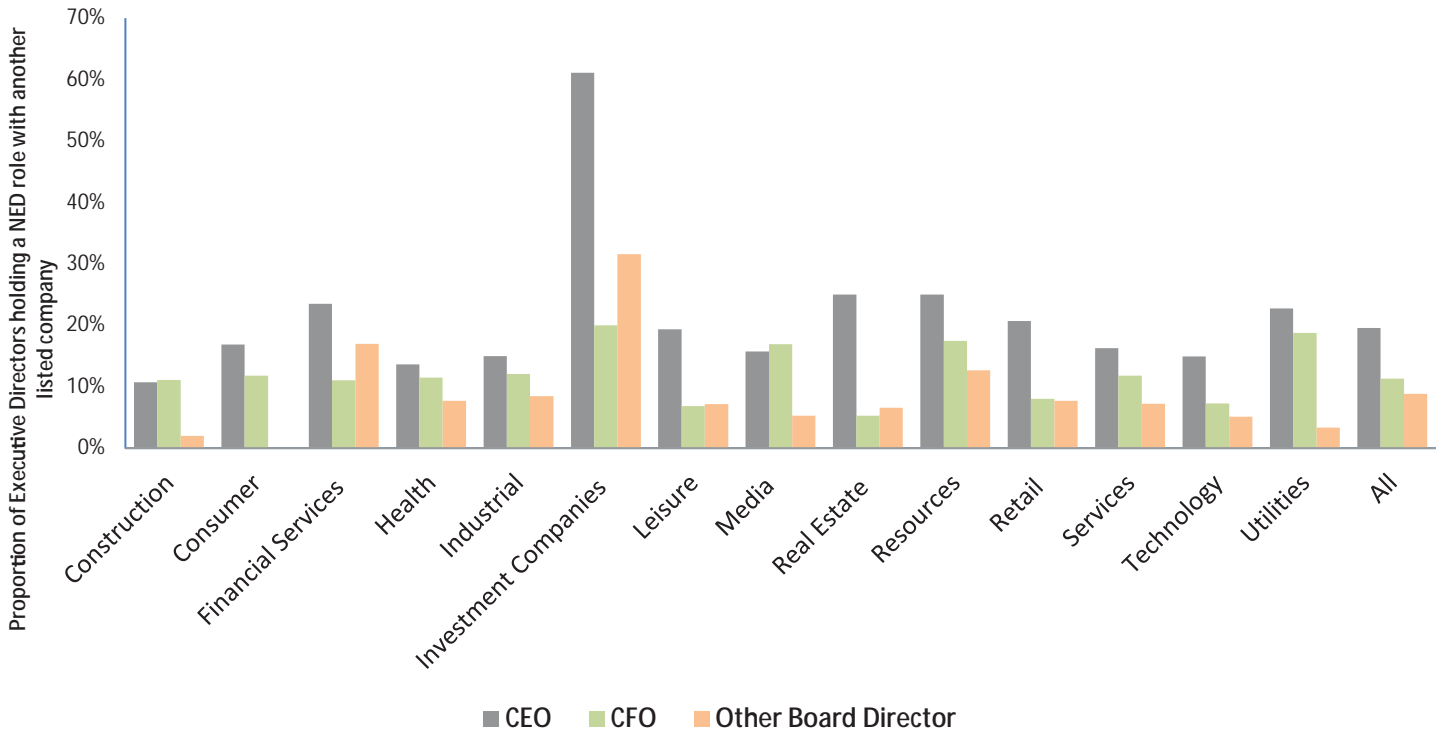
AGE RANGE OF NEDS IN THE UTILITIES SECTOR



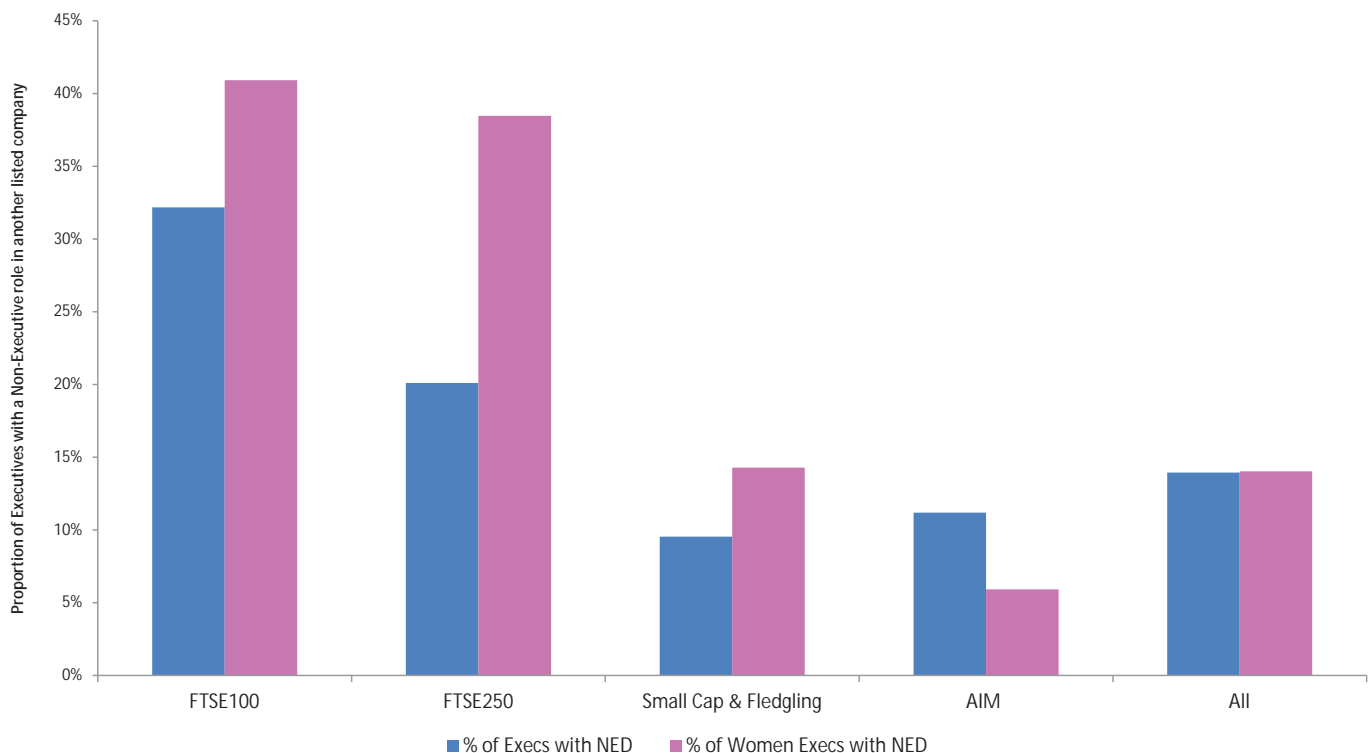


LIKELIHOOD OF BEING A NON-EXECUTIVE DIRECTOR

PROPORTION OF EXECUTIVES HOLDING A NED ROLE WITH ANOTHER LISTED COMPANY



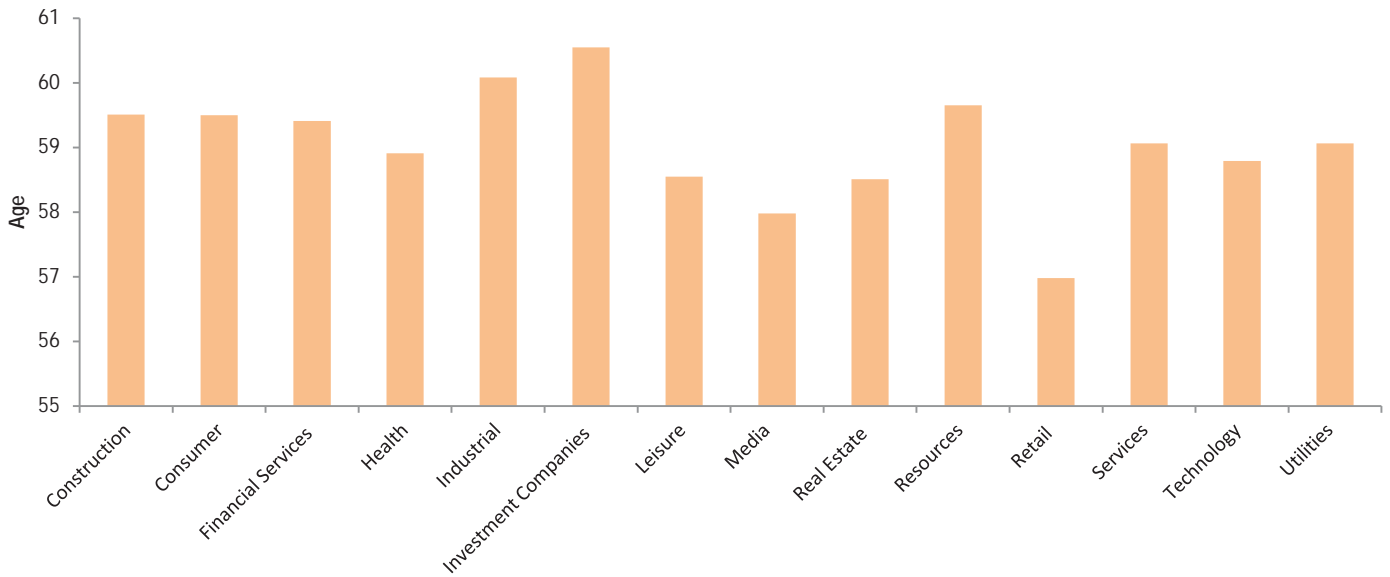
PROPORTION OF EXECUTIVES WITH A NON-EXECUTIVE ROLE IN ANOTHER LISTED COMPANY



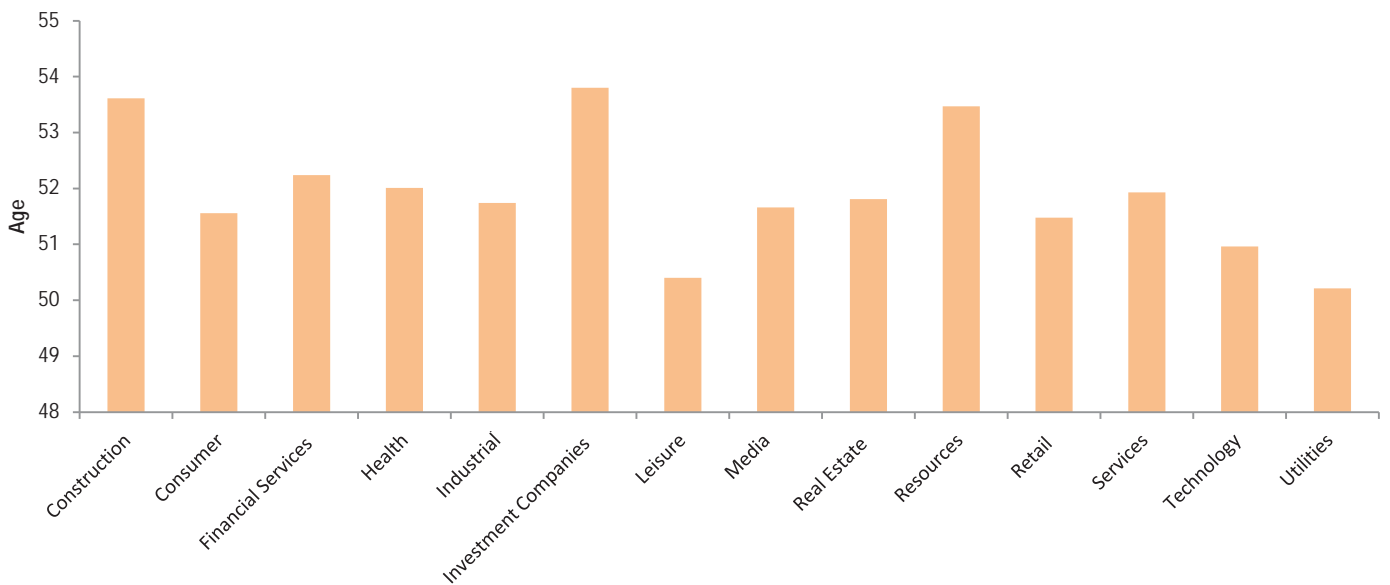


INDUSTRY SECTORS AVERAGE AGE

AVERAGE AGE OF NON-EXECUTIVE DIRECTORS BY SECTOR



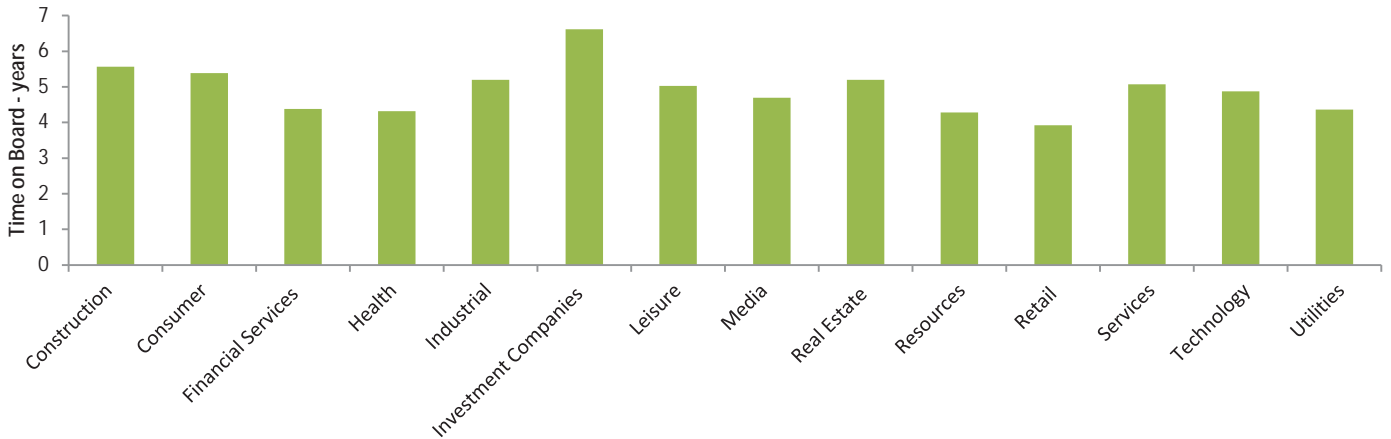
AVERAGE AGE OF EXECUTIVE DIRECTORS BY SECTOR



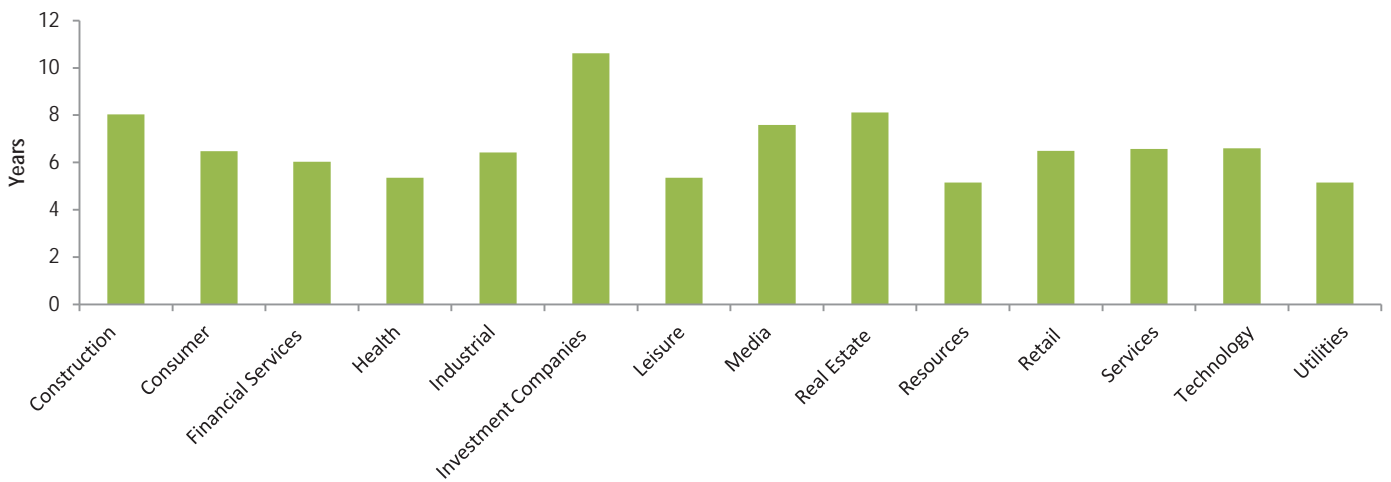


INDUSTRY SECTORS TIME ON BOARD

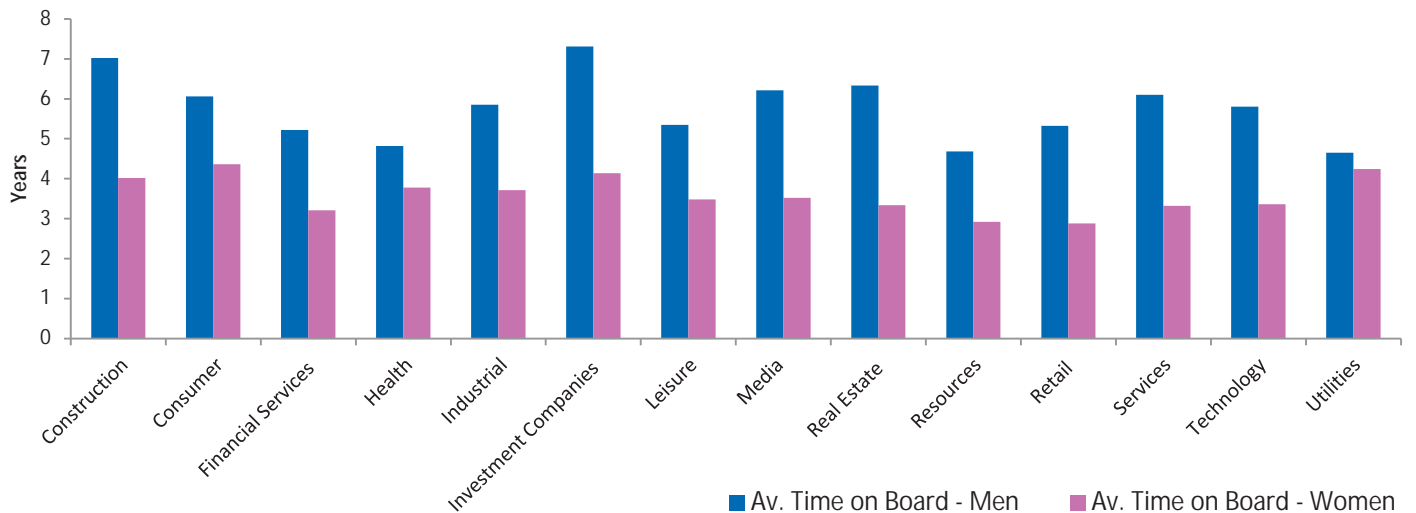
AVERAGE TIME ON BOARD - NON-EXECUTIVE DIRECTORS



AVERAGE TIME ON BOARD - EXECUTIVES



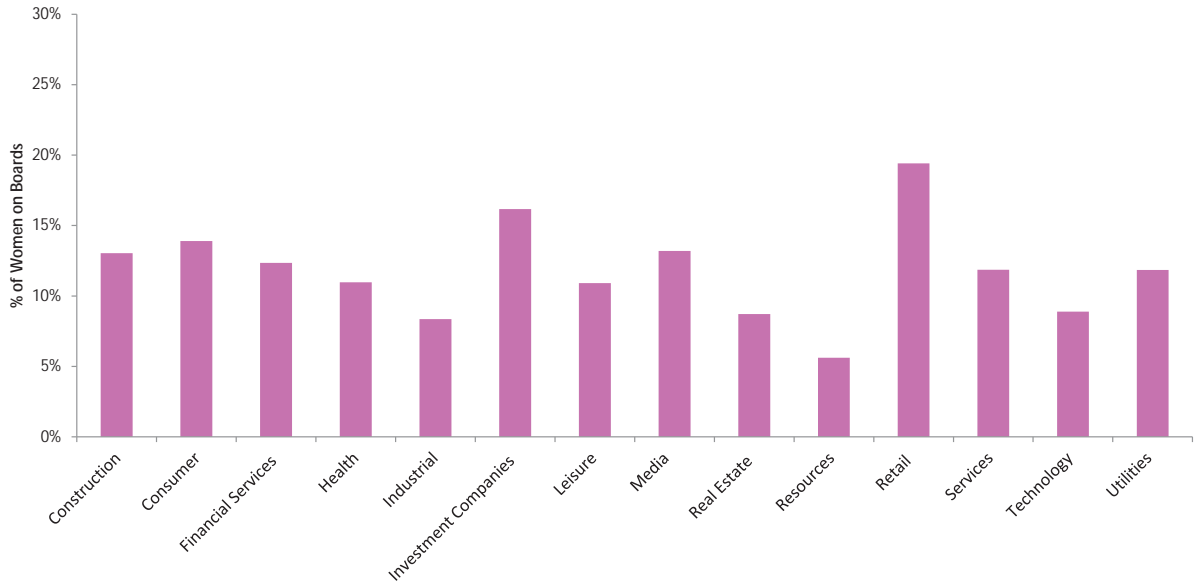
TIME ON BOARD - ALL DIRECTORS



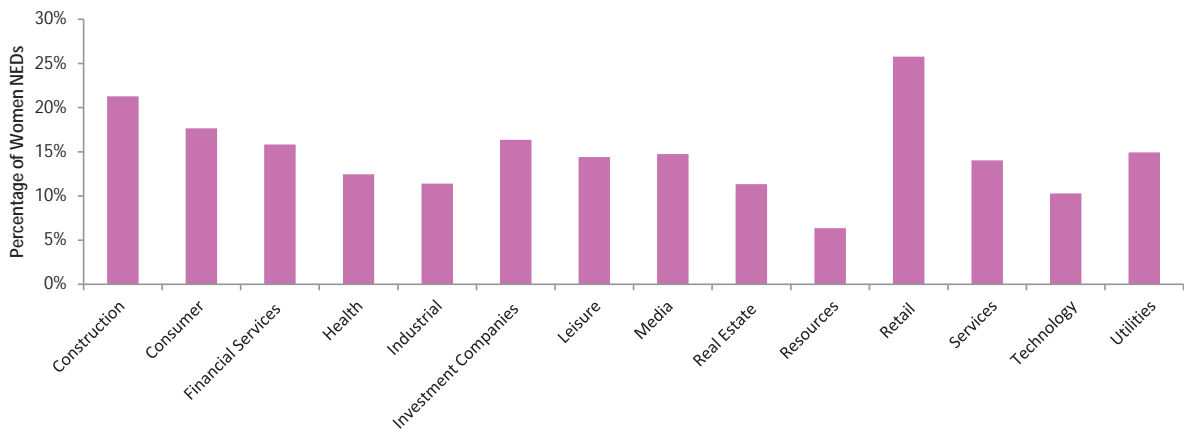


INDUSTRY SECTORS WOMEN ON BOARDS

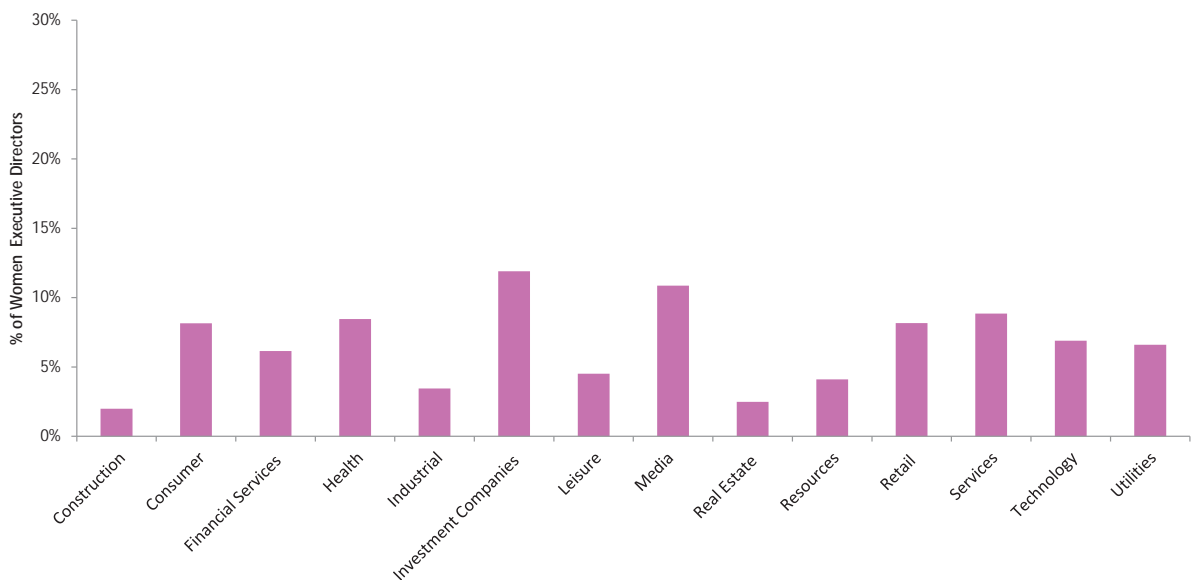
WOMEN ON BOARDS - ALL DIRECTORS - BY SECTOR



WOMEN ON BOARDS - NON-EXECUTIVE DIRECTORS - BY SECTOR



WOMEN ON BOARDS - EXECUTIVE DIRECTORS - BY SECTOR





INDUSTRY SECTORS

	Average Age		% Women		
	Executive	NED	Executive	NED	Board
All	51.95	59.25	6.21%	13.33%	10.89%
Construction	53.61	59.51	1.99%	21.29%	13.03%
Consumer	51.56	59.5	8.14%	17.65%	13.90%
Financial Services	52.24	59.41	6.15%	15.82%	12.35%
Health	52.01	58.91	8.46%	12.46%	10.97%
Industrial	51.74	60.08	3.45%	11.40%	8.36%
Investment Companies	53.8	60.55	11.90%	16.37%	16.17%
Leisure	50.4	58.55	4.50%	14.39%	10.92%
Media	51.66	57.98	10.87%	14.74%	13.19%
Real Estate	51.81	58.51	2.49%	11.34%	8.71%
Resources	53.47	59.65	4.11%	6.37%	5.61%
Retail	51.48	56.98	8.16%	25.77%	19.41%
Services	51.93	59.06	8.84%	14.04%	11.86%
Technology	50.96	58.79	6.89%	10.27%	8.88%
Utilities	50.21	59.06	6.60%	14.92%	11.85%



CONCLUSION

It's clear from our research into board diversity that - while progress has been made - businesses could do more to better reflect their customer base and the communities in which they serve.

A Government round-up of research into the business case for greater diversity, produced last year, found that companies reaped both internal and external business benefits as a direct result of taking action in this area. Having a staff mix that reflects that of its customers can help a business target its products better and have sharper insight into consumer behaviour. Internally, a wider range of viewpoints results in better decision-making, rather than relying on tired solutions that may no longer be appropriate.

While there is pressure from Government and the EU, particularly in terms of gender diversity, this should not be the only driver for embracing diversity. The Government has already acknowledged that, rather than be driven by enforced legal quotas, businesses should work towards meeting diversity targets on their own initiative.

So how can they do this? We have three recommendations.

- **Conduct a matrix of the skills you have on your board already.** Do these meet your current needs? How do they align with the future aspirations of the company? Moving into a new market, for example, may require a broader perspective.
- **Broaden your network.** Ensure that candidates put forward for senior roles have a diverse range of backgrounds. Many executive search firms have introduced methodologies to ensure their candidate lists are as diverse as possible, so make sure your recruitment partners measure up.
- **Aim high.** Having compiled an audit of the skills and qualities you need for future success, be brave and ambitious in finding board members who possess these characteristics. Never settle for second best.

There is no 'one size fits all' solution to improving diversity levels on UK boards, and the approach each business takes should be aligned with its existing values and goals. However, one thing is certain: as the economic recovery grows stronger, being able to offer a broader perspective will be a key commercial differentiator.

NB BOARD TEAM

Today's challenging economic climate, coupled with uncompromising media attention mean that the pressures on boards have never been more acute. Chairmen, executive and non-executive directors must demonstrate not only commercial and operational ability, but display exemplary professionalism and compliance standards. The need for balance, diversity and independence is essential: a properly composed and developed board will be well positioned to lead to succeed.

Our Board Practice consultants have appointed over 1,000 chairmen, chief executives, functional board directors and non-executive directors for clients of all sizes across all sectors. Our success derives not from a single perspective, but from applying the breadth of our expertise and taking a holistic approach to every challenge.

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Krystyna Nowak | Managing Director
Neil Holmes | Managing Director
Kate Latham | Managing Director
Adam Turner | Managing Director

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