Lessons from Boards over 20 Years

LINTSTOCK

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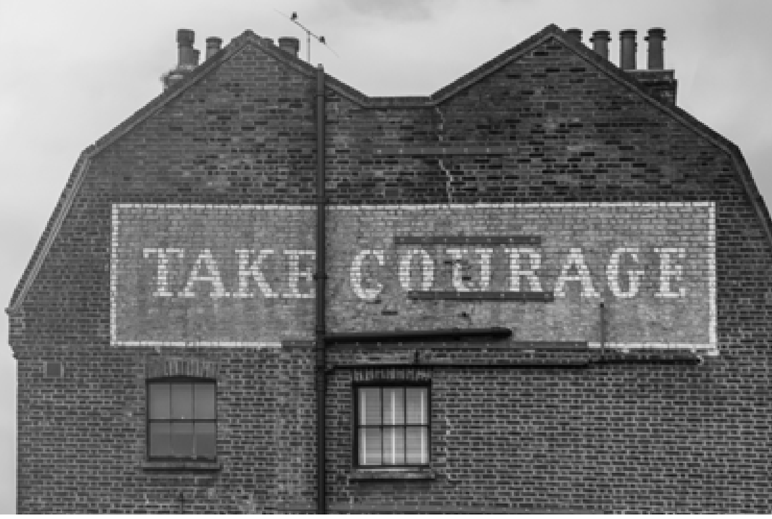

A study comissioned by
the All Party Parliamentary
Corporate Governance Group

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CONTENTS

FOREWORD BY RICHARD FULLER MP

The All Party Parliamentary Corporate Governance Group was formed in 2004 with the purpose of developing and increasing the understanding of corporate governance in Westminster. The agenda for business, economic and social prosperity can only prosper from the promotion of a culture that is based on responsible leadership and investments, for the benefit of shareholders, economies and communities. There has never been a greater need to consider how Boards can shape the role their organisations play in society, and in this context I am pleased to present Lintstock's latest research, commissioned by the APPCGG, reflecting on over twenty years of Board Performance Reviews.

The report follows in the footsteps of previous studies in 2013 and 2018 that respectively marked ten and fifteen years of reviewing the performance of Boards; as well as tracing the evolution of Board evaluation over the past five years, this year's exercise expands its focus to consider the demands of Board service in the round. Corporate Boards face an ever-more challenging environment, and the report contains some pressing insights for parliamentarians on the current UK business environment.

The study is based on anonymised input from over 400 Directors and Board representatives from the FTSE All Share and a number of leading international companies, including interviews with 195 Chairs, Company Secretaries and Executives; a full list of participants is included in an Appendix. We are grateful to all concerned for their time and their candour in providing feedback – Directors were keen to make their voice heard, and had some direct messages for regulators, legislators and governance professionals alike.

I am grateful to Lintstock for carrying out this research, and I am delighted to present their findings, which will be useful reading for anyone with an interest in Boards, business or the success of UK plc.

Richard Fuller MP

FOREWORD

This project started life as the fourth in our five-yearly series on best practice in Board Reviews, but has taken on a life of its own, encompassing reflections on Board service in the round as well as the review of Board performance. It has been a pleasure to watch the study take shape over the past nine months – and we would like to express our heartfelt gratitude to the 400+ participants for the invaluable insights they shared with us, which make this year's research so compelling.

The journey began in March 2024 on a client trip to Hong Kong and Australia. Our client Boards were intrigued by our APPCGG research on how the practice of Board Reviews has developed in the UK, and naturally volunteered their perspectives on the differences – and similarities – in their home markets. As with Board Reviews themselves, much comes down to a question of nuance. One of the most interesting things about Boards is how each one has its own character, and our clients were intrigued by how their counterparts in other organisations and other countries ran their Board Reviews, and indeed their Boards.

Keen to share practices across borders, we expanded the inquiry beyond the UK to include interviews with Chairs and Company Secretaries in Europe, Asia, North America and Australia – tagging study meetings onto our client visits to these geographies since March. Within the UK we also sought views from outside of the corporate world on how the practice of Board Reviews should be adapted to support their needs.

It was a privilege for our team at Lintstock to be exposed to so many Board leaders across a wide spectrum of organisations, geographies and sectors. In an increasingly volatile world, it was clear that our interviewees had much to say on the challenges they face – but they can take solace in the collective resolve they displayed to lead their businesses through these difficult times.

We hope that this study will help to move the conversation on Board governance forward – providing lessons for Board Reviews and Boards alike.

Neil Alderton
Partner, Lintstock

Introduction

There has been a requirement for corporate Boards to review their own performance since 2003, when the UK Combined Corporate Governance Code mandated that each Board 'should undertake a formal and rigorous evaluation of its own performance and that of its Committees and individual Directors'. Since then the All Party Parliamentary Corporate Governance Group ('APPCGG') has commissioned Lintstock to carry out research that explores how Board Reviews are conducted and regarded in the UK and internationally, taking the temperature of the sector and outlining current practice.

This is the fourth APPCGG study that Lintstock has conducted on this topic, and is our most comprehensive to date, drawing on interviews with Chairs, Company Secretaries and Executives across four continents, in addition to written submissions from over 200 Directors and Company Secretaries (a full list of the organisations represented is included in an Appendix at the end of this report). We are grateful to all the participants in the study for their engagement, lending us insight into the 'black box' of the boardroom to reflect on how Boards can maintain and improve their performance as they grapple with the considerable challenges facing them today.

Our last APPCGG Board Review study took place in 2018, in a climate of ongoing political uncertainty in the face of the Brexit vote and the election of Donald Trump in 2016, and increasing corporate scrutiny from political and regulatory bodies as well as the wider public. Since then the headwinds confronting businesses have only intensified. Boards have been beset with challenges from all angles: COVID-19 was an existential crisis for mankind, let alone Boards and businesses, and the ongoing conflicts in Ukraine and the Middle East, as well as continuing geopolitical volatility and political instability, present Boards with a worrying picture.

In this context it is unsurprising that our discussions branched out beyond the area of Board Reviews to encompass Board effectiveness in general, the wider environment and how Boards can best position themselves for an uncertain future. In a condition of 'permacrisis' Board oversight becomes less about supporting their organisation's success than ensuring its survival – in 2023 40% of respondents in a survey of global CEOs believed that their companies would no longer be economically viable in their current form in ten years' time.[1] The experience of the pandemic has also made Directors more conscious of their responsibilities, and the consequences their decisions have for employees and for wider society.

Notwithstanding the forbidding backdrop, the results are encouraging – Directors are committed to continuous improvement and appreciate the value that Board Reviews can add in encouraging Board development and promoting best practice. In responding to the challenging situation in which UK plc (and the business world internationally) finds itself, it is incumbent upon Boards to push forward and ensure that they discharge optimal oversight – and for Board Review providers to conduct exercises that provide optimal insight.

We had the impression from the feedback we received that Board Reviews are at something of an inflection point – there is appetite for innovation in the space, and Boards and providers alike have an opportunity to take the practice a step forward.

1 *Winning today's race while running tomorrow's – PwC's 26th Annual Global CEO Survey* (2023).

Key findings

Part One: The Evolution of Board Reviews

Tailoring the Review

- The objective of Board Reviews has evolved beyond a tick-box compliance exercise that rubber-stamps a Board as 'effective'; instead Chairs use them as a tool to focus seriously on drawing lessons and developing performance
- The purpose of each Review should be carefully considered, taking into account the nature of the Board and the organisation's circumstances; the timing of external Reviews has a material impact and investors should allow greater freedom in scheduling
- Word-of-mouth helps to verify the quality of Board Review providers, but greater rigour around selection is emerging and there is demand for more market transparency

Cultivating a Culture of Feedback

- Directors are increasingly open to both giving and receiving feedback, which is partly a generational effect as newer Directors are accustomed to more formal performance reviews from their executive careers
- Boards need to think critically about the additional support Directors require as their responsibilities expand, and as recruitment widens to include Directors from a more diverse range of backgrounds
- There is growing demand for Board Reviews to deliver meaningful benchmarking and insights into best practice

The Individual vs the Collective

- Today's Directors are more comfortable evaluating and discussing their own individual performance – '360 Reviews' are on the rise, and Chairs are increasingly drawn upon to advise and mentor colleagues
- Written surveys and one-to-one interviews are still the most common ways of eliciting input for Board Reviews, although there is also widespread recognition of the value of meeting observation
- There is appetite for innovation in the Board Review space, particularly through the use of technology and psychological techniques

Key findings continued:

Part Two: The Evolution of Boards

The Risk-Reward of Being a Director

- The burden on Boards is growing and Directors are subject to increasing risk and liability – as this is not balanced by greater remuneration, organisations are increasingly reliant on other motivations to attract top quality directors
- In the UK the business environment is a key strain on Boards, and there is a growing sense that governance and regulatory demands are overly restrictive
- The burden of Board service means fewer people are willing to serve as a Director, particularly on public company Boards – talent is more and more difficult to source

Generalists vs Specialists

- There has been a significant increase in the demand for subject-matter specialists on Boards over the past ten years, but these Directors often struggle to contribute beyond their area of expertise
- More recently, the value of 'generalist' Directors has come to the fore, as their broad business background stands them in good stead to provide meaningful input across the piece, and to help Boards weather crises when they occur
- Preserving a balance of experience and expertise on a Board is becoming more and more difficult; the conversation around diversity needs to develop to ensure that there is sufficient diversity of thought and functional background – and increasingly age – as well as gender and ethnic diversity

Positioning for the Future

- Boards need to constantly challenge themselves on whether they are the right team to lead their organisation – Boards may need to refresh themselves more often
- The time dedicated to the Board Review process is often the biggest 'cost' and it is incumbent on Boards to hold themselves to a higher standard when selecting providers to ensure that the exercise adds material value
- Board Review providers also have a key role to play in raising the bar – established players in the market need to support greater transparency and be prepared to facilitate access to new entrants who can bring different perspectives

Part One: The Evolution of Board Reviews

Tailoring the Review

> *'There's no such thing as one-size-fits-all Board Review' – FTSE 100 Chair*

At one level all Boards are the same – collectives of individuals who meet together, receive information and make decisions – but each Board is also unique; the distinct skillsets and personalities of each Director on a given Board, coupled with the manifold variations between organisations, means that each Board Review exercise has to be different.

Board Reviews are 'both art and science' – 'science' insofar as there are certain best practices and methodologies utilised, and 'art' in the creativity of how they are scoped, conducted and delivered. FTSE Boards have now undergone over twenty evaluations, and at least four 'cycles' of externally facilitated Reviews, and it is fair to say that (most) Board Reviews are an accepted – and valued – part of the Board's cycle.

Reviews are no longer seen as a tick-box compliance exercise; in fact, keenness to avoid the evaluation turning into a 'box-ticking exercise' was a recurring theme. Boards take performance more seriously now, and are not just driven to conduct a Review with the aim of triumphantly disclosing in the Annual Report that the Board is 'effective' – there is also no objective standard on which to base such a judgement. Instead, the Board Review is an opportunity to derive value and collectively improve, demonstrating that the Board takes performance seriously, rather than just affirming that it is performing well.

Finding the 'Why'

> *'Most boards have addressed the basics. The challenge is for the next generation of surveys to really add value. This requires the board to think about what they want to achieve – providers could help with this conversation.' – FTSE 100 SID*

Establishing the purpose of the exercise is a key first step in tailoring the Review to the Board. It is understandable that many Boards are just looking for reassurance that they are not doing anything wrong, supported by peer comparison to give them confidence that they are not behind the curve in comparison with the market. Other Boards, though, will be seeking specific improvements, for example in determining their key objectives for the year ahead, and will require a Reviewer who is able to orient the enquiry around such topics.

The key project sponsors are well advised to take a step back to determine the purpose of a Review – typically this is determined by the Chair and/or the Company Secretary, although the involvement of Nomination Committees is increasingly common. It can be useful to conduct a mini workshop at an early stage of the process to help define objectives for the Review and set expectations. The Reviewer ought to be able help the sponsors in this exercise.

Making It Specific

> *'What works on some boards, will not work in others'*
> *– FTSE 250 Company Secretary*

Context is everything; it is critical for an exercise to be appropriately scoped to the size, industry and maturity of the company whose Board it is assessing – and indeed the size and nature of the Board itself. The feedback we received stressed the importance of making sure providers took the specifics of the company into account – a formal governance and compliance overlay that might apply for the 13-strong Board of a FTSE 100 financial services company would not suit an AIM retailer. There is also a need to be sensitive around resourcing, and ensure that Boards with smaller reserves of time and money are not undergoing an unnecessarily elaborate process.

It is also important to consider current circumstances (the business cycle, changes of key personnel, recent or approaching crises) when planning a Board Review. Tailoring the Review to recent events encourages Boards to reflect on an experience they underwent as a collective, such as a recent transaction or strategy session. Board Reviews should be sensitive to the state of the Board at that moment – a high-performing Board might appreciate more focus on strategy, for example, whereas others might need more space for articulating concerns.

What was clear from our feedback was that a 'template' approach will almost invariably be suboptimal – an 'off the peg' survey or uninformed interview questions that make no reference to the particulars of the company will lead to a lack of engagement among the Directors, leading in turn to anodyne findings and a boilerplate report. Board members will respond best to a bespoke experience that invites input on the issues they are dealing with in the boardroom and in the business.

Timing – and Complying

> *'Make the process less prescriptive. Give boards more responsibility/freedom to explain how they ensure they are operating effectively.' – FTSE 250 SID*

There is broad support for the current requirement of an external Review every three years, with this being considered about the right frequency, although many larger companies are now engaging external support every year to raise the standard of internal Reviews; if you are going to ask your Directors to dedicate the time then it is worth investing in a good internal process.

The three-yearly cycle enshrined in the Code is partly rooted in its being an accountability measure that holds Boards to an explicit standard, making it difficult to defer the Board Review for an extended period. That said, there was a plea for greater flexibility around the exact timing of Board Reviews – while the 'comply or explain' model means that there is flexibility in the Code that allows some fluidity in the timing of exercises, the postponement of a Review often taken as a strongly negative signal by proxy agencies.

There was strong sentiment among the Chairs that we spoke to that the 'comply or explain' model has broken down – too often the choice is characterised as 'comply or die'. In the case of Board Reviews, the situation becomes 'comply and complain' – Boards undergoing a challenging period (an unexpected CEO transition, for example) feel pressured to take the line of least resistance and complete an evaluation when their time would be much better spent focusing on the issues at hand.

Conversely, a degree of flexibility and creativity around the timing of a Review can be greatly additive. Many Chairs told us they would ideally conduct an external Review immediately after being appointed to the role, both as a way of fast-tracking their induction and as a means of setting out the lie of the land in terms of key issues, strengths to maintain and weaknesses to address.

Selecting the Right Provider

> *'Boards need to be very careful in who they appoint to get any value out of the process. I have seen some reports which have been basically useless.' – FTSE 250 NED*

It takes two to tailor a Review, and naturally a key facet for the project sponsors scoping an evaluation is finding a provider who will achieve the objectives set for the exercise. The chosen facilitator will need to be the right fit both for the Board and the exercise it plans to undertake – for a Board experiencing issues with its dynamics, an individual with a background in managing conflict who is skilled in creating rapport with the Directors would be helpful, whereas other Boards would appreciate a more broad-based business and commercial approach.

There was a spread of opinion over whether the market for external facilitation provides Boards with sufficient choice – while some (including international respondents) felt that there is a good range of providers in the market, many suggested that there is scope for expansion, including having more industry-specific facilitators, and facilitators with Board experience.

Given the confidential nature of the Board's work and the importance of cultural fit, it makes sense that personal recommendation and word of mouth were most often identified as the ways in which Boards came into contact with their facilitator. The limitations of word-of-mouth are well recognised, however – concern was expressed in some quarters that Boards (or Chairs) may be inclined to select providers that will give them a favourable write-up. Beyond this, Boards are conscious of the need for fresh thinking, and keen to cast the net wider, but the difficulty of finding and gaining assurance on a facilitator was remarked on, as there is a high level of variability in the quality of service provision.

More resources that help Boards to locate and connect with external facilitators would be helpful, such as a central register of providers, and a dedicated website that enables companies to select a provider that is suitable to them. Initiatives such as The International Register of Board Reviewers and the Chartered Governance Institute's Accredited Board Performance Review Directory are already beginning to supply this need.[2] These initiatives should help to raise the bar but not the drawbridge; as a Board Review provider ourselves we welcome new entrants to the profession, and are excited to see how the market develops.

In addition to seeking greater transparency in the market for facilitation, Boards expect greater rigour in the process for selecting providers – a 'beauty parade' of potential advisors is becoming an increasingly common practice, and safeguards against a favoured contact being engaged as a fait accompli.

2 Lintstock supports the CGI's accreditation programme as an advanced Board Review training provider – all fees are donated to charity.

Cultivating a Culture of Feedback

> *'Directors have become more engaged in feedback over the years'*
> *– FTSE 250 Chair*

Boards' greater openness to giving and receiving feedback was a prominent theme in our discussions, and improving the Board's performance is a topic that is taken increasingly seriously. Board Reviews can be seen as both a symptom and a cause of this development – as Directors recognise the benefits of focusing on their own performance, their engagement with the process grows from year to year. A virtuous circle is being created whereby Directors expect more from the process and are consequently willing to provide more input with greater enthusiasm – encouraging Board evaluators to up their game in turn.

This recalibration of focus is borne out in changes to the Corporate Governance Code – from 2024, the Code refers not to a 'board evaluation', but a 'board performance review'.

Developing Greater Openness

Many Chairs felt that the increased focus on performance partly reflects the impact of a generational shift on Boards – younger Directors are more likely to be used to (and appreciative of) regular appraisals of their performance than the retiring generation. The emphasis on continuous improvement is also the result of growing professionalisation as Board roles are taken more seriously now than they were in the past.

This spirit of openness and collaboration extends to the solicitation of feedback from constituents beyond the Board. Upward Reviews, where the performance of the Board is assessed by management, are increasingly common and often highlight areas where the Board is unaware of a lack of alignment, or indeed is having a positive impact that it had not appreciated – we often find that Boards underestimate the value they can bring in areas like talent, for example, whereas an Upward Review can in fact shine a light on how helpful Board input is in the eyes of management.

Supporting Directors

The growing performance culture in the boardroom brings with it a greater consciousness of areas where Directors may need to develop, and the feedback we received suggested that there is demand for a greater degree of support for Boards. Again this is partly the result of generational turnover, where the former executives coming onto Boards expect and are open to coaching. Directors increasingly recognise that their development does not stop at the boardroom door, and in our Board Review exercises we regularly identify opportunities for individual or collective training. Often this will consist of updates on technical topics in fast-moving areas like technology or regulation, but there are also skillsets that Directors ought to develop that they will not necessarily have needed in their executive careers.

The drive for greater diversity on Boards also has implications for the level of support needed – the level of executive experience required to gain a Board seat has reduced, meaning that Directors often require more guidance to reach their full potential as a Board member. Great strides have been made in increasing the level of diversity in boardrooms over the last 10 years, but more thought needs to be given to how Directors from different backgrounds ought to be inducted, supported and trained. We have heard of new Directors who have initially struggled to contribute but have thrived after some one-to-one guidance from their Chair. Well-directed support from internal and external sources – as well as a supportive environment within the boardroom – can clearly be highly valuable in ensuring that all Board members are given a platform to succeed. Without proper support, Directors will not reach their potential – and in our discussions with Chairs there were sadly quite a few mentions of 'two-tier Boards' developing.

Delivering Meaningful Feedback

> *'I don't feel the review really resulted in any changes or improvements. Are we really that perfect?' – FTSE 250 NED*

The growth of a feedback culture is undeniably positive, but it is put to the test at the point at which the feedback is delivered. Being open about performance means being open to negative feedback and its consequences, which can be dramatic in some cases – one Board went down from 12 to 8 Directors following the Review. To safeguard the Board's dynamics and ensure that the focus on performance is proportionate, the provision of feedback to Board members is increasingly structured, with Chairs often called upon to address performance with their Board colleagues regularly on a one-to-one basis. This requires careful handling – in the UK in particular, the culture of politeness can make Boards shy away from tackling issues related to individual contribution. The skillset of Chairs has needed to evolve to be able to manage performance – one FTSE 250 Chair compared their role vis-à-vis the Directors to raising their own children.

In the context of a Board Review the facilitator has a key role to play in delivering the feedback, and it is best practice for them to present the results for discussion at a Board meeting. The ability to provide clear, actionable feedback and deliver difficult messages is an important skillset; the provider must work hard during the exercise to build sufficient trust and rapport that any points for improvement land well.

Boards are highly sensitive to any perception of 'sugarcoating' the findings of Board Reviews, and Board members had misgivings around providers who would deliver unduly positive results in the hope that this would lead to being re-engaged the following year. In practice we find that the opposite is the case – any massaging of the results leads to a loss of confidence in the provider that makes them less likely to be selected for future mandates. Conversely the willingness to provide candid feedback and advice builds trust, however uncomfortable it is in the short term; we know of facilitators whose Reviews have led to the resignation of a Chair, who have subsequently been re-engaged by the same individual to evaluate their next Board.

Learning from Others

> *'[Board Reviews should...] show Boards what good actually looks like'*
> *– FTSE 100 NED*

The conversation around continuous improvement on Boards is not confined to individual boardrooms – the call for more benchmarking of performance and sharing of best practice was one of the most pronounced themes in the feedback we received. All Boards are unique, but they all face similar challenges; one of the principal desired outcomes of an external Board Review is confidence that a Board is not out of line with its peers, and so there is a growing demand for facilitators to provide their clients with external context.

Facilitators can provide quantitative insight based on data (for example, our Lintstock Index tracks the performance of Boards and Committees across over 100 metrics) and qualitative examples of best practice they have seen in the broader market. Sharing common Board techniques does not always imply a need to adopt these practices, but encourages the Board to think more consciously about its processes, culture and focus.

Given the pressure on Boards to keep up with their expanding BAU agendas and any challenges that may come over the horizon, there is undoubtedly value in pulling the camera back and considering what good looks like in the round. The confidential nature of Board work means that the insights require sensitive handling, but there is certainly a strong appetite among Boards for a collaborative sharing of knowledge and experience. There is considerable upside in cultivating a dialogue around improving Board performance – and we hope that this study contributes to the conversation.

The Individual vs. the Collective

> *'Every Director should be reviewed in a meaningful way'*
> *– FTSE 100 Chair*

The Board is collectively responsible for the oversight of an organisation, and ultimately stands or falls on its effectiveness as a body. Nevertheless, the skills, knowledge and contribution of the individual Directors are key determinants of the Board's effectiveness. A rigorous evaluation of Board performance therefore requires scrutiny at a collective and an individual level. The toolkit of techniques available to facilitators is expanding as the approaches taken to Board evaluation evolve.

Putting Directors in the Spotlight

Since its inception in 2003 the Code has required evaluation of individual Directors as part of the Board Review. Exercises focusing on individual performance typically ask the Directors to consider their own impact on the Board over the previous year, their relationships with fellow Directors and any development needs, with the results being shared with the Chair and forming the basis of a confidential discussion as part of the follow-up of the Review. These exercises need to be carefully managed, and Chairs need to show sensitivity in addressing areas for improvement.

Constructive feedback can be required when a poorly-performing Director awards themselves top marks – there is a need to account for Board members' personalities in parsing ratings, and there can be an element of 'honest overconfidence' in some self-assessments. Our research with the 30% Club shows that female Directors are more likely than their male colleagues to think critically about their own performance, which often manifests itself in female Directors awarding themselves lower scores.

Beyond the self-assessment model, the feedback culture explored in the previous chapter is leading to a growing openness among Board members to evaluating the individual performance of their colleagues – and to being evaluated themselves. The practice of conducting '360 reviews' is on the rise, both in the UK and internationally – it is already established in geographies such as Australia, Canada and Scandinavia. While the results of these reviews are usually shared with the Chair on an anonymous basis rather than circulated around the Board as a whole, a constructive attitude is essential to prevent the exercise becoming a circular firing squad; exercises are often scoped to capture positive learnings as well as points for development, with participants asked for feedback on strengths as well as weaknesses.

Australia provides an interesting case study for UK Boards and facilitators, in that skills matrices are at the heart of the Board Review process rather than consideration of the

3 Lintstock, *Evidencing the Contribution of Gender Balance to Board Effectiveness* (2023) 11.

Board's performance as a collective. Clearly it is crucial to ensure that a Board benefits from sufficient experience and expertise to discharge its responsibilities towards the company it oversees, and this study considers the question of Board composition further in 'Generalists vs. Specialists' below.

Techniques for Eliciting Input

> *'The richness of conversations with directors appropriately run by a facilitator about how the board is working and the opportunities for improvement is really important and has in the past surfaced the "elephant in the room" which demonstrates its value.' – FTSE 250 NED*

A Board Review exercise will solicit the opinions of each Director via surveys, individual interviews or a combination of the two. Surveys offer Directors a chance to consider in their own time aspects of Board and company performance, with the level of engagement driven by the quality of the experience and the pertinence of the questions asked. They also give facilitators an opportunity to collect qualitative data that they can use to illustrate the Board's relative performance in its various areas of responsibility, and to benchmark against the performance of peers. A survey-only exercise provides Boards with a light-touch and time- and cost-efficient way of taking the temperature of its members, with facilitators organising the thoughts of the Board to identify where the consensus is (and where it isn't). A well facilitated session on the outputs of a survey-led exercise can also add material value.

There was some scepticism about the level of insight provided by surveys among the respondents to the study, however, and one Small Cap Non-Executive complained that 'as with so much of life today, too much time is wasted on pointless surveys!' Since Board members have many calls on their time, and little patience for unnecessary questions, it is incumbent on facilitators to tailor and tightly scope their surveys to capture Directors' interest and ensure maximum engagement. A 'vanilla' survey with a large number of yes or no questions is unlikely to inspire, especially if the same survey is used in the next year's exercise – providers need to continually develop their approach, and ensure that their proposed line of enquiry develops year-on-year to reflect any changes in the company's circumstances. Surveys should be succinct, but should invite rich feedback by encouraging respondents to comment in writing rather than simply ticking a box.

Director interviews were the most valued input into Board Reviews among the participants in our study; having an opportunity to discuss the Board with an external party is greatly appreciated, and can draw out insights from Board members that a survey might not (particularly on issues that they may not feel comfortable putting in writing). As with surveys, however, the value of interviews is heavily dependent on the skill of the facilitator in developing a rapport with their interviewee and bottoming out issues, both within individual interviews and across their contact with the Board. An unprepared, inflexible or just poor interviewer may torpedo the Review in the eyes of Directors even before it is presented.

We have found that interviews can add the most value in conjunction with surveys, as a second phase of inquiry which allows the facilitator to socialise Directors' views with their

Board colleagues and ensure a well-rounded perspective on points of disagreement. In this context the Board members' individual discussions with the facilitator constitute a kind of collective brainstorming by proxy, as they are given an opportunity to respond to one another's viewpoints. Having access to a Director's survey responses also allows the facilitator to focus the interview on exploring the issues that matter most to the individual Director, making the best use of time for both parties.

For both survey-led and interview-led Reviews, there was a strong sense among the study participants that having gathered Directors' contributions, the findings of the Review should not simply be a 'regurgitation' of the feedback provided. Given the Board's commitment of time and resource to the exercise, it is critical for facilitators to provide insights that justify the investment – not only for their own benefit, but also for the standing of the profession as a whole.

Observing the Dynamic

> *'The consultants need to spend enough face time with their Board clients in order to really see the culture and values of the Board in action.'*
> *– FTSE 250 NED*

There was widespread recognition of the value of facilitators witnessing the Board in action through meeting observation. Boards are increasingly open to allowing facilitators to sit in on meetings, and doing so provides valuable insight into the group's dynamics, time management, focus and level of contribution. The ability to see how the Board interacts, engages with management presentations and drives towards conclusions can put flesh on the bones of insights gained through surveys and interviews. Depending on the timing, facilitators observing the Board meeting can also be a valuable input into scoping the inquiry based on what they have seen.

In recent years Boards have become more willing to discuss boardroom behaviours, and Reviews are seen as an opportunity to check in on this area and evaluate whether there is a need to 'preserve, enhance or fix' their dynamics, in the words of a FTSE 100 Company Secretary. There is growing interest in emotional literacy and how to harness this to improve decision-making, as well as ensuring that strong feelings do not negatively impact Board performance when they arise. Facilitators with strong psychological experience and/or insight, as well as a high EQ, are in demand, especially in cases where there has been conflict or an issue with behaviours.

There were questions among respondents about how representative a picture facilitators would be able to build up from attending a Board meeting, with concerns expressed that Directors' behaviour may be affected by having a 'teacher in the room'. To combat this some suggested that facilitators should attend multiple meetings through the cycle, although the increased time commitment this requires may make it a prohibitively expensive option. While it is natural for the dynamic to change somewhat when an external party is attending, in practice we have found that it is rare for Directors to 'perform for the camera' – and in any case facilitators can triangulate what they see in the meeting with the insights gathered from surveys or interviews.

What is key is for facilitators to make sure that the Board's willingness to permit them access, and investment in their time, leads to useful insights – in some exercises the facilitator has been granted the privilege of reviewing the Board materials and attending meetings, but barely referred to either in their final report.

An Appetite for Innovation

> *'Someone needs to tear up the rulebook.' – Small Cap Company Secretary*

The main techniques for reviewing Boards – surveys, interviews and meeting observation – are now well established, and given the number of Reviews FTSE companies have conducted and the flourishing of the feedback culture explored in the previous chapter, it is unsurprising that there was appetite among the participants in our study for innovations that could make the process easier or more efficient, or provide greater insights to Boards.

Technology was cited as an interesting avenue for enhancing the collection and analysis of inputs, and it was suggested that the use of AI in collating and synthesising feedback – as well as comparing it with other Boards – could bring considerable efficiencies and cost savings. Some Boards are already deploying AI to help streamline papers and minute meetings, and there will be sustained interest in how this technology can help Boards. AI can only work with the inputs it is given, however, and it may be that Directors are less willing to engage with a process they know is being run digitally. The 'human factor' still has a key part to play in assessing Board performance, particularly when addressing dynamics issues or delivering difficult messages.

Boards' increasing openness to drilling down into performance issues has led them to draw on a wide range of disciplines in pursuit of maximising their ability to discharge oversight – for example, we know of some Boards that have undertaken psychometric testing to increase their understanding of individual preferences and improve overall Board cohesion. Perhaps in the future we will see Boards drawing on other high-performance fields such as sport or the military in order to gain an edge; one might imagine an AI model analysing the sentiment of the discussions in the boardroom. For the present, the arrival of digital Board packs has made it possible to identify when Directors read their papers, and how much of the pack they have viewed – with embarrassing consequences at times.

While it is clearly positive that Boards are devoting focus to improving individual and collective performance, it is key that the effort does not become disproportionate; by definition Non-Executive Directors have limited time to spend on their roles, and there is a danger of letting the best be the enemy of the good if Boards are spending more time on their own performance than on discussing the key issues affecting their organisation, and considering the potential challenges on the horizon.

Part Two: The Evolution of Boards

The Risk-Reward of Being a Director

> *'It's not a lunch club any more' – FTSE 250 Chair*

The past few years will have been the most testing that many of the current crop of Directors will have experienced in their Board tenures. Weathering a series of systemic shocks to the business environment – not least the COVID-19 pandemic and the outbreak of war in Ukraine – as well as ongoing political and economic uncertainty has been a bruising experience for Boards, and so it is understandable that our discussions on Board Reviews developed into reflections on Board service in general, against the backdrop of recent challenges. The results make concerning reading for those with an interest in the success of UK plc.

Burdened Boards

The burden being placed upon Boards is growing. There is continual pressure on agendas as more and more areas are placed within the Board's remit – the requirements around overseeing people and culture in the 2018 update to the UK Corporate Governance Code alone added a vast area to the Board's responsibilities. ESG, too, is now a critical area of Board oversight – sometimes referred to as 'the second bottom line' – but is also highly diffuse, covering everything from companies' carbon emissions and tax domiciles to their levels of diversity. We spoke to one prominent Chair, a US national, who said they came to the UK because Boards had more of a strategic role in the UK than in the US, but felt that 'busywork' around regulation has made the UK Board environment lose its distinctiveness.

The relentless pressure of BAU items limits scope for reflection or for strategic discussion – and undermines flexibility in the event of an unexpected challenge arising. We know of more than one occasion when a discussion of Board Review findings at a meeting was dropped because of time pressure, which seems symptomatic of how the extensiveness of Board agendas may compromise performance over the longer term.

The inflation of agendas brings with it an upward trend in the size of Board packs. The length of the materials provided in advance of meetings is a perennial concern in Board Reviews, and some Boards are given packs of 1000 pages or more ahead of each meeting. These materials are often delivered at or near the last minute to accommodate the latest developments / figures, or (a persistent bugbear among Directors) are updated online in ways that are difficult to track.

Combined with the time spent reading and digesting these papers is the time that management spend presenting the same material in meetings, and it is common for Boards to emphasise in Review exercises that they would like to take more presentations as read and move straight onto debating and deciding on proposals. While efforts are being made to lighten the load on Directors – some Boards proactively manage their annual calendar to ensure that some meetings (i.e. those outside of the cycle of financial results) consider a lighter and more strategically-focused set of materials.

The burden on Boards is exacerbated by the highly kinetic environment in which they now exist – though Non-Executive Directors are only contracted to serve on their Board for a given amount of days a year, those boundaries are made much more fluid by the connectivity of the digital environment, meaning that they are instantly contactable and notionally available for an ad hoc online meeting at a moment's notice. This ease of communication has benefits – which were made manifest in the COVID-19 pandemic – but also puts pressure on Non-Executives who have other commitments. The increasing time commitment of Non-Executive roles is discouraging serving executives from applying, which deprives Boards of younger talent and the executives of a valuable development opportunity.

Risk and Reputation – Increasing Liability

> *'Either trust Boards to properly exercise their fiduciary responsibility to represent stakeholders or continue down the path of increasingly telling Boards what to do – if the latter then the only people who will want to join Boards of U.K. plcs will be risk-averse box tickers.' – FTSE 100 SID*

Risk is one of the most prominent areas to be rising up Board agendas – understandably so given the shock of the pandemic; even companies in highly relevant industries such as insurance and pharmaceuticals were blindsided by COVID. As a result Boards' focus is being pushed from oversight to foresight, as they seek to anticipate and avoid future crises. For obvious reasons pandemic risk and geopolitical risk have shot to the top of the agenda, but there are also threats from climate risk, people risk, supply chain risk and of course macroeconomic risk – with the underlying threat of reputational risk if they don't get it right. In a volatile world there is increasing pressure for Directors to be able to 'see around corners', but they are equally concerned to ensure that the focus on risk remains proportionate.

The heightened scrutiny of the corporate world from regulators, politicians, media and the general public means that there is an increasingly high cost to failure. The internet makes businesses and Directors much more high-profile than they used to be; greater engagement with and interest in the corporate world is undoubtedly a positive in general, but can bring with it unwelcome consequences for Directors – including, in extreme cases, their personal safety, from climate protestors storming the Shell AGM in 2023 to the murder of Brian Thompson, the CEO of UnitedHealthcare, in December 2024.

A good Director should never put reputational risk ahead of the long-term interests of the company, but in the current media environment (especially given the ongoing rise of social media) it is difficult to ignore. This is to the detriment of governance as a whole, as concern over reputation short-circuits the Board's incentives and interferes with the clarity of its decision-making. In many governance failures in recent years, key figures have been more concerned with the fallout of the issues impacting the reputation of the organisation at the time, to the detriment of actually dealing with the issue at hand – which ultimately led to even greater reputational damage.

An Unfriendly Environment

> *'Consider exiting public markets: there is a clear and growing conflict with the direction that regulators, corporate governance zealots and the press want to drive businesses and the ability to grow the business and create wealth.' – FTSE 100 NED*

The UK regulatory and economic environment is a key driver of the strain on Boards. One FTSE 100 Chair stated that their message to Parliament would be 'stop' – that no more regulation or responsibilities should be placed on Boards; there was a call for consistency and predictability, especially given the turmoil of the past few years.

It was widely felt that the governance environment has become too restrictive, leaving Boards with little flexibility and leading to multiple unproductive meetings with 'governance police'. While highly supportive of the 'comply or explain' model, one FTSE 100 Chair indicated that it has morphed into 'comply or vote against', regardless of the company's explanation. There is a need for a cultural change – Boards should feel empowered to explain (for example why a Chair's tenure should be extended beyond nine years, or why the Board is not meeting representation targets, or indeed why it may not be the right time to conduct a Board Review) and should receive a fair hearing from regulators and investors.

The burden of regulation is such that Directors are increasingly opting to stay off public company Boards – and some no longer wish to serve on UK Boards at all. Remuneration is certainly a factor in this; the increased responsibility has changed attitudes, and it is increasingly felt that the time commitment and the financial and reputational liability that Directors take on is not balanced by commensurate remuneration. One Small Cap Chair told us that Directors don't get out of bed for less than £100k, albeit stressing that it is right for them to insist on fair compensation.

A Brain Drain for Boards?

> *'The NED environment is simply not fit for purpose' – FTSE 250 SID*

Boards are finding talent more and more difficult to source, especially for public companies; the pool of Directors willing to take on public company NED roles is shrinking, understandably so given the alternative is a more highly paid and less reputationally impactful private company role – or a role in the US where there is greater compensation for fewer meetings. Chairs told us that they are increasingly reliant on brand affinity or a sense of 'giving back' as a motivation for high-quality Directors to join their Boards, but this seems a fragile balance to strike – ultimately companies cannot rely on Directors' goodwill in attracting talent. The abundance of regulation and the relative lack of pay is stopping US Directors from joining UK Boards, and driving UK Directors away.

As well as the shrinking size of the talent pool, a key concern among the Chairs was that the standard of competency among Board members is decreasing, with some Non-Executives lacking a basic understanding of business fundamentals. The presence of substandard Directors on the Board compounds the challenge for their higher-performing colleagues, as it falls to them to work harder to compensate for anyone not pulling their weight – in an environment where Boards are already stretched.

The vast majority of Board members are committed to discharging strong oversight, and the stories of Directors falling asleep during meetings or paying more attention to their mobile devices are mercifully few. That said, it is worrying for all those with an interest in the success of UK plc to hear that there is a decrease in the quality of talent at the very top of public companies.

Generalists vs. Specialists

> *'There will continue to be a need to bring specialist skillsets and perspectives to the Boards.' – FTSE 100 Company Secretary*

Given the raft of challenges and risks facing organisations, it is more important than ever to ensure that their Boards have the right composition to ensure effective oversight. The fast-moving external environment and the amount of new topics that have landed on Boards' agendas has led many to seek to level up their composition with expertise that covers these emergent areas, rather than relying on the traditional profile of 'generalist' Directors – i.e. veteran executives who have served at the top of companies in a variety of industries. Indeed we were told by one international Chair that generalist Boards are on their way out: they stated that given increasing regulatory pressure, Board members must understand individual items in much more depth, and so Boards recruit experts in discrete areas as it would take generalist Directors too long to build up an adequate understanding.

It is important to state that 'generalist' is not a term of opprobrium in this context, as developing a sufficiently broad skillset to be able to operate at the top of a large company is (paradoxically) a rare skill in itself.

The Limits of Specialist Expertise

> *'Depth and breadth of skills must be key' – FTSE 250 Chair*

Since the 2010s there has been a significant increase in the demand for specialists on Boards, to provide subject matter expertise on emerging topics. The most common request has been for technological and digital expertise, which continues to be a key gap that Boards identify in Reviews, although latterly there have also been calls for sustainability and ESG expertise.

Subject matter experts who do agree to join corporate Boards often find it challenging to gain traction, however, since they can struggle to contribute more broadly to the Board's oversight beyond their own area of expertise – since there are limited seats on a Board, it is an opportunity cost to include a Director who can only contribute for fifteen minutes in a four-hour meeting.

Even if specialist Directors can contribute more widely, there is risk in having a concentration of expertise in one person – the principle of collective responsibility is infringed if only one Board member is felt to be qualified to comment or challenge management on a given topic. We know of Boards where a specialist 'digital Director' was continually drawn upon by management to assist with a transformation project, and had to step back as they were in danger of becoming involved in the execution of the project rather than overseeing it. It is also unfair to expect a single individual to be the sole authority in a given area – it is important to maintain a broad view, and there is benefit in bringing in well targeted external input to supplement specialist insights.

The concentration of expertise can also be problematic in a Committee context, particularly if the Chair is expert in a topic, as their interaction with presenters on technical issues can become an expert-to-expert dialogue that goes over the heads of members who are not as well versed. In these cases it can be helpful to provide coaching to non-specialist Committee members to encourage them to ask high-level questions and provide challenge.

Having the Right Perspectives – Including Management's

> *'We need more first hand understanding on boards on how companies are managed – versus looking for experience on the outer fringes of what matters for our business' – FTSE 250 SID*

All Non-Executives are brought onto Boards in order to provide an independent perspective, and to deploy their experience for the benefit of the organisation. For subject matter experts the role is to keep the Board current on developments in their area of expertise, advise on best practice and challenge management on technical points; for a generalist it is to share insights on their experience from other companies / Boards. Importantly, generalists can also – as experienced business leaders in their own right – act as a bridge to the business, drawing on their C-suite experience to build trust with the company's top management.

Having enough Board members who understand the challenges of running a large company is vital, as executives will not respond well to criticism from Directors whom they feel have not 'walked the walk' – Board conflict with management arises most often when it is felt that the Board has not earned the 'right' to challenge. That said, it is also critical to preserve an appropriate boundary between executives and Non-Executives – if there are Directors who spend more time and effort on the business (this is particularly the case with shareholder Directors), then a two-track environment can develop in the boardroom, resulting in an asymmetry of understanding and contribution.

As ever, there is a balance to be struck here, and ultimately it is the task of the Boards themselves – led by the Chair – to ensure that they function as a team that can both deploy domain expertise while discharging strong oversight of the business as a whole. Balancing technical knowledge with more general commercial and organisational acumen will be critical for businesses in the coming years.

The question of broad business experience vs specific expertise is also an interesting one when considering the skillset of Board Review facilitators – the feedback we received suggested that there is demand for more providers with direct experience of serving on FTSE Boards, and it was also suggested that reviewers with industry-specific experience would be valuable. Like Non-Executives themselves, Board evaluators are there to provide independent advice drawing on the benefits of their experience – and facilitators coming from a specific executive or industry background could certainly help to provide a useful perspective on a Board's performance.

Standing the Heat

> *'Generalists are who you want when the times get tough' – International Chair*

The big external shocks experienced over the past few years have also encouraged Boards to seek broad-based business experience in their Non-Executive Directors; generalists have come to the fore in dealing with unexpected events, as they can apply their previous experience in leading a business through a crisis and steady the ship, whereas these circumstances have exposed the inexperience / siloed thinking of some specialists.

This is not to say that subject matter experts have not had experience of weathering crises – in a cyber attack, for example, technological expertise will go a long way in helping the Board to understand the problem and decide on a response – but veteran executives will be familiar with the processes and procedures to implement in the event of an emergency and will be able to support management in doing so, as well as overseeing internal and external communication to assuage stakeholder concerns.

Judging by our conversations with Chairs there is growing recognition that experience of navigating an organisation through a major shock is an exceptionally valuable trait in Non-Executives, as is the ability to ignore short-term reputational damage in favour of the best interests of the organisation in the longer term. The resilience built through dealing with adversity, as well as the hard-won experience of knowing what to do (and what not to do) when the going gets tough, are easy attributes to miss, especially when the experience has been gained at a contentious time. We know of a financial services Board that derived enormous benefit from a Non-Executive who had been on the Board of a bank that had failed – we were told that they moved the business and its controls forward enormously.

Building a Balanced Board

> *'You wouldn't not just pick the best 11 people to play football for England' – FTSE 250 Chair*

Getting the right mix of experience and expertise on a Board has always been a challenge, and the volatility of the present moment has made it all the more difficult. We are seeing more and more Boards adding skills matrices to their Board Review exercise to ensure that they have coverage in the right areas for the coming years – including soft skills.

To support an effective discussion environment Boards must limit their numbers, and balancing domain expertise, geographical representation, business and industry experience and (where applicable) shareholder representation is tricky – let alone ensuring that there is sufficient diversity of thought and approach to foment an atmosphere of constructive challenge and avoid groupthink.

The requirement for Boards to maintain at least a 40% level of female representation (with a woman occupying at least one of the four key roles of Chair, SID, CEO and CFO) and include at least one Director from an ethnic minority adds a further layer of difficulty. It is clearly paramount for all appointees to a Board to have the skills and experience necessary to discharge effective oversight, but Boards are experiencing continual external pressure to ensure that diversity targets are met.

While Boards are not losing sight of the benefits of gender and ethnic diversity, there has been a notable shift in recent years towards ensuring that there is diversity of thought and of professional background. Directors are also turning their attention to diversity beyond gender and ethnicity, especially socio-economic background – one FTSE 250 Chair raised the question of whether ethnic diversity without educational diversity truly leads to diverse perspectives on a Board. During one Board Review exercise for a FTSE 100 company one Director pointed out that although their Board was exemplary in terms of 'visible diversity', all of its members had spent their entire careers within the same two or three square miles in London.

Generational diversity is a key issue as well – Boards are keen to benefit from the perspectives of younger Directors, although as the last chapter suggests, the regulatory burden makes it increasingly difficult for younger talent to commit to Board service. Age diversity cuts both ways, too, as Boards should be careful not to neglect the benefit of experience.

Positioning for the Future

In a volatile world it is incumbent on Boards and businesses to be dynamic enough to respond to challenges with agility – and this is even more the case when considering Boards' own membership and performance.

Balancing Longevity and Fresh Perspectives...

> *'I'm not taking advice about my ELT from a Chair who has known passengers on his "team"' – International CEO*

Given the fast-moving external environment and shifting agendas, Boards need to constantly challenge themselves as to whether they, as a group, are the right team to be leading their organisations. Just as no company has an inherent right to exist, Boards should not be a retirement home for experienced executives who are beyond reproach or challenge – and at a time when entire industries are transforming virtually overnight, we have seen a number of Boards questioning whether they can effectively oversee their organisation. This has been particularly striking in the case of natural resources companies dealing with the energy transition, who feel a need to add renewables experience as a matter of urgency yet are concerned about going too far, too fast and impacting energy security both for themselves and at a geopolitical level.

There was a feeling that Boards may need to be refreshed more quickly in response to the needs of the business, or if there is a chance to upgrade. At present the Code mandates a nine-year term limit for Non-Executive Directors, after which they are considered to have lost their independence; often this acts as a perverse incentive for Directors (and particularly Chairs) to stay in role longer than they ordinarily would have, since a shorter stint will look worse on their CV.

There was some frustration expressed around Board members assuming that they would serve their full time regardless of the situation the company is in, whereas a quicker turnover would support stronger oversight in some cases: a company in crisis would benefit from adding someone with experience in overseeing turnarounds, for example. That said, there are practical implications that might limit Boards' ability to adjust their membership in short order – recruitment should not be rushed, and the need for financial services Boards in particular to have potential appointments approved by the regulator makes it less practical to make short-term appointments given the tortuous administrative process involved.

We were told by an international Chair that there is often a decision to be taken as to whether the Board should include people with knowledge of 'flavour of the month' matters, and a greater willingness to shuffle and redeal would certainly help Boards to stay current; nevertheless it is important to ensure that the group remains cohesive, and there is wisdom in the dictum that Boards 'should never recruit when you can consult'.

...Including in Your Board Reviewer

The principle of rotation is similar with Board Review providers – as with Non-Executive Directors, the usefulness of a facilitator hinges on their ability to provide informed, objective advice, and clearly a change should be made if a reviewer is felt to be conflicted, or to no longer provide optimal counsel. The feedback we received from Chairs suggested that a change of provider often arises from the desire for a fresh approach, and it may be that the Board makes a change because they have a specific purpose for a given year's exercise – recruiting a facilitator with a more psychological background to address a dynamics issue, for example. Some companies explicitly choose a new external reviewer each time to safeguard independence and ensure that the facilitator is not angling for future mandates.

That said, many Chairs stressed the benefits of continuity, and warned against Boards (or reviewers) taking a 'one then done' approach. Maintaining an engagement over two, three or more cycles builds trust and enables year-on-year comparison, allowing facilitators to measure progress and serve as a partner to the Board in a long-term project of improving performance. While from the outside it is understandable to believe that longer relationships may lead to a loss of independence, one might equally argue that it is the provision of independent advice that sustains the relationships: reviewers stand or fall by the quality and honesty of their advice.

Ultimately it is for Boards to weigh up the benefits of longevity against any perceived impact on independence or freshness of advice; the needs of Boards and companies change over time, and so the purpose and scope of their Board Review – and with them their choice of provider – will inevitably shift. As we explored in the opening chapter of this study, it is a question of tailoring the Review to the specific requirements of the Board – and it is good to see that Boards and providers are increasingly attentive to ensuring that there is a good fit.

Conclusion: ‘The Seventh Board Meeting’

The environment for business is becoming more demanding – and Boards are holding themselves to higher standards. Board Reviews have developed from being a regulatory obligation, carried out to ‘tick the box’, to being an opportunity for the Board to strengthen its processes, its relationships and ultimately its oversight.

For most corporate Boards the biggest cost of a Board Review is not the facilitation fees but the time commitment, devoting focus to its own performance when it could be doing something more directive or reflecting on strategy. We have one multinational European client whose Board has invited us to interview its Directors over a number of years to help with its development. They refer to the Board Review as their ‘seventh Board meeting’, and we feel that it is incumbent on us to up our game each year to match the trust placed in Lintstock.

Reviewers have to hold themselves to the same standards that they intend to hold Boards to, and the more established Reviewers need to promote market transparency, innovation and access for new talent. We’ve included a quote above from an international CEO who said they would not take advice from a Chair that is knowingly carrying passengers on his Board – and it is only a matter of time before executives start questioning whether they should countenance input from a Board that uses a substandard facilitator for their Board Review.

APPENDIX – LIST OF STUDY PARTICIPANTS

In total we received 409 individual responses, including interviews with 195 Chairs, Company Secretaries and Executives.

102 Chairs:
9 FTSE 100
20 FTSE 250
73 International / Other

115 Company Secretaries/GCs:
27 FTSE 100
27 FTSE 250
61 International / Other

15 CEOs:
2 FTSE 100
5 FTSE 250
8 International / Other

154 Non-Executive Directors:
31 FTSE 100
67 FTSE 250
56 International / Other

23 CFOs/Executives:
3 FTSE 100
8 FTSE 250
12 International / Other

Respondents from the following UK and international organisations participated in the study:

3i Group plc
3i Infrastructure plc
ABN AMRO Bank NV
Acuity RM Group plc
Aena SME SA
AEW UK REIT plc
AIA Group
Airtel Africa plc
AJ Bell plc
Alfa Financial Software Holdings plc
Amadeus Capital Partners Ltd
Amplifon SpA
AOTI
Apax Global Alpha Ltd
Ashmore Group plc
Ashoka India Equity Investment Trust plc
Astrazeneca plc
Atlas Copco Group
Auction Technology Group plc
Augmentum Fintech plc
Autins Group plc
AVI Global Trust plc
Baillie Gifford China Growth Trust plc
Baillie Gifford European Growth Trust plc
Baillie Gifford UK Growth Trust plc
Baillie Gifford US Growth Trust plc
Banco Sabadell SA
Banco Santander SA
Bango plc
Barclays plc
Bath & North East Somerset Council
BBGI Global Infrastructure SA
Beacon Energy plc
Benenden Health
BH Macro Ltd
Blackrock Energy And Resources Income Trust plc
Blackrock Frontiers Investment Trust plc
Blackrock Greater Europe Investment Trust plc
Blackrock Throgmorton Trust plc
Blackrock World Mining Trust plc
Bodycote plc
Border To Coast Pensions Partnership Ltd
Borregaard ASA
Bridgepoint Group plc
British American Tobacco plc
British Land Co plc
Bunzl plc
Burberry Group plc
Caixabank SA
Caledonia Investments plc
Caledonia Mining Corp plc
Capital & Regional plc
Capital Gearing Trust plc
Card Factory plc
Caspian Sunrise plc
Centuria Capital
Ceres Power Holdings plc
Chemring Group plc
Chrysalis Investments Ltd
Cirencester Friendly Society Ltd
Clarkson plc
Clean Power Hydrogen plc
Cleanaway Waste Management Ltd
Cohort plc
Columbia Threadneedle Private Equity Trust plc
ComfortDelGro
Convatec Group plc
CQS Natural Resources Growth And Income plc
Cranswick plc
CT Private Equity Trust plc
CTP BV
CVS Group plc
Daimler Truck Holding AG
Darktrace plc
DCC plc
DFS Furniture plc
Diageo plc
Direct Line Insurance Group plc
Dormkaba Holding AG
Downing Renewables & Infrastructure Trust plc
Dye & Durham Ltd
E.ON SE
EasyJet plc
Eleco plc
Element Fleet Management Corp
Empiric Student Property plc
Endeavour Mining plc
Ensilica plc
Epwin Group plc
Ericsson
Essentra plc
Eurobank Ergasias Services and Holdings SA
Finsbury Growth & Income Trust plc
First National Financial Corp
Focusrite plc
Foresight Solar Fund Ltd
Franco Nevada Corp
Frome Town Council
Fuller, Smith & Turner plc

GCP Infrastructure Investments Ltd
Generali SpA
Genuit Group plc
George Weston Ltd
Gibbons Management Services Ltd
Glencore plc
Halma plc
Hang Lung Properties
Harbour Energy plc
Harbour Trustees Ltd
Hargreaves Lansdown plc
Harworth Group plc
Helical plc
Herald Investment Trust plc
Herefordshire Council
HgCapital Trust plc
Highland Council Pensions
Hikma Pharmaceuticals plc
Hilton Food Group plc
Hiscox Ltd
Howden Joinery Group plc
Hydro One Ltd
Iberdrola SA
Ifast Financial
IG Design Group plc
IG Group plc
Impax Environmental Markets plc
India Capital Growth Fund Ltd
Inditex SA
Intermediate Capital Group plc
International Consolidated Airlines Group SA
International Distributions Services plc
Invesco Bond Income Plus Ltd
IP Group plc
Ithaca Energy plc
Jadestone Energy plc
JD Sports Fashion plc
Jeronimo Martins SGPS
JLEN Environmental Assets Group Ltd
JPMorgan European Discovery Trust plc
JPMorgan Global Core Real Assets Ltd
JPMorgan Global Emerging Markets Income Trust plc
JPMorgan Global Growth & Income plc
JPMorgan Indian Investment Trust plc
JTC plc
Jupiter Fund Management plc
Jyske Bank A/S
Kainos Group plc
Kenmare Resources plc
Keppel
Kier Group plc
Kingfisher plc
Koninklijke Ahold Delhaize NV
Koninklijke Vopak NV
Legal & General Group plc
Leonardo SpA
Lindsell Train Investment Trust plc
Link REIT
Lloyds Banking Group plc
LPA Group plc
M&G plc
Man Group plc
Manchester & London Investment Trust plc
Mapletree
Marston's plc
Mercantile Investment Trust plc
Metro Bank Holdings plc
Mincon Group plc
Mobico Group plc
Molten Ventures plc
Mondi plc
Moonpig Group plc
Mpac Group plc
National Grid plc
NEPI Rockcastle NV
Nestle SA
Netlink NBN Trust
Newriver Reit plc
Nexteq plc
Nippon Active Value Fund plc
Nufarm
Ocado Group plc
Odyssean Investment Trust plc
Olam Group
Orion Holdings Corp
Oxford Biomedica plc
Oxford Instruments plc
Pacific Assets Trust plc
Palace Capital plc
Pearson plc
Pennon Group plc
Pensionbee Group plc
Persimmon plc
Petershill Partners plc
Petra Diamonds Ltd
Pinnacle Investment Management
Playtech plc
Polynovo Ltd
Polar Capital Global Healthcare Trust plc
Pollen Street Group Ltd
Premier Foods plc
Premier Miton Investors
Prudential Corporate Pensions Trustee Ltd
Quadrise plc
Quilter plc
Ramsden Holdings plc
Reckitt Benckiser Group plc
Renew Holdings plc
Renishaw plc
RHI Magnesita NV
Rightmove plc
Riocan REIT
Riverstone Energy Ltd
Royal BAM Group NV
RS Group plc
Ruffer Investment Co Ltd
S&U plc
Sabre Insurance Group plc
Saga plc
Sampo Group
Saul Trustee Co Ltd
Schroder UK Mid Cap Fund plc
Scottish Friendly Assurance Ltd
Scottish Widows Group Ltd
Sequoia Economic Infrastructure Income Fund Ltd
Serica Energy plc
Severn Trent plc
Sienna Senior Living Inc
SIG plc
SITC International Holdings Co Ltd
Skillcast Group plc
Smith & Nephew plc
Smiths News plc
Smithson Investment Trust plc
Sobi AB
Soul Patts
Sound Energy plc
Spectris plc
Spirax-Sarco Engineering plc
St James's Place Wealth Management Group plc
Standard Chartered plc
Strix Group plc
STV Group plc
Swiss Re AG
Target Healthcare REIT plc
Taylor Wimpey plc
TBC Bank Group plc
Tees Mutual
Telecom Plus plc
Telenor ASA
Templeton Emerging Markets Investment Trust plc
Tencent
Terna SpA
Tesco plc
The Berkeley Group Holdings plc
The Lewis Workplace Pension Trust
The Medical and Dental Defence Union of Scotland
The Mercantile Investment Trust plc

The Pebble Group plc
TIM SpA
TMX Group Ltd
Trifast plc
Triple Flag Precious Metals Corp
TUI AG
Twentyfour Select Monthly Income Fund Ltd
Tyman plc
Unilever plc
Unite Group plc
United Utilities Group plc
Utilico Emerging Markets Trust plc
Value And Indexed Property Income Trust plc
Van Lanschot Kempen NV
Vanguard Group Inc
Vesuvius plc
Vinacapital Vietnam Opportunity Fund Ltd
Vonovia SE
Vontobel Holding AG
WAM Capital
Weir Group plc
Whitbread plc
Wickes Group plc
Witan Investment Trust plc
Wolters Kluwer NV
Wood plc
XP Power Ltd
XPS Pensions Group plc

ABOUT THE APPCGG AND LINTSTOCK

The APPCGG

The All Party Parliamentary Corporate Governance Group was formed in 2004. We seek to provide a forum for legislators, companies and financial institutions to discuss developments in corporate governance in Westminster.

Our focus is to promote responsible leadership of business, representing the interests of shareholders and other stakeholders.

Committed to supporting business growth, the Group's aim is the promotion of best practice in corporate governance. There is no cast-iron template applicable to every business but the Group recognises there are many ways for companies to create prosperity for their employees, shareholders and stakeholders.

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Lintstock

Established in 2002, Lintstock acts as retained advisor to the Boards of over 120 companies across five continents, specialising in Board performance reviews. The firm undertakes leading-edge research into topical governance issues, and has served as a longstanding research advisor to the All Party Parliamentary Corporate Governance Group – in 2023 it launched **Board Oversight in Difficult Times – Out of COVID into War** at the Houses of Parliament, and also partnered with the 30% Club to publish **Evidencing the Contribution of Gender Balance to Board Effectiveness**.

Lintstock regularly hosts seminars on Board effectiveness and best practice at its offices in Borough Market, and conducts webinars and workshops for Directors, Company Secretaries and governance professionals around the world.

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