

Chris Hodge

From: Claire Wilkinson <cw@mvision.com>
Sent: 08 May 2011 13:17
To: Chris Hodge
Subject: Comment on Consultation regarding board diversity

Dear Sirs

I have served as a director on the board of an AiM listed company, XCounter AB. I was instrumental in taking that company through its listing process. At the end of the listing process, prior to Admission, the Stock Exchange telephoned our CEO and invited him to open the first day of dealings and have a champagne breakfast with the rest of the board in particular recognition of the way in which we had conducted our application for admission. I am proud of this achievement as it was largely my own work, and was also proud that it came when I was aged just 40, which is relatively young for any NED of a listed company. I was the only British person on the board, the only lawyer and the only woman. I was also the second youngest person on the board.

I subsequently resigned my non-executive position as I changed full-time jobs.

I have acted for 20 years as a legal adviser at board level to many listed and privately held companies and observed board dynamics and board effectiveness of a very broad range of companies from FTSE 100 to venture capital backed biotech companies.

I run an association for lawyers promoting good governance and professional standards in private equity. I am also a member of the European Private Equity and Venture Capital Association's Professional Standards Committee and chair its Responsible Investment Working Group. I organize charitable networking events for board level women in the life sciences sector, with a membership of over 400 women, many of whom have at some stage in their careers faced obstacles to board level appointments in their companies.

Without representing the following views as those of any of those associations, my personal view is that I agree with the amendments to the Code, but with the following warnings.

Taking the work force as a whole, including part-time employees, the Fawcett Society most recent research shows that women earn 19.8% less than their direct male comparators.

The World Health Organisation estimate that between 25% and 50% of all women suffer domestic violence at some point in the their lives.

The United Nations estimate that three times as many women as men are survivors of childhood sexual abuse. These three factors combine to disadvantage women and to lower their self-esteem and self-belief, thus damaging their potential to achieve board room positions in industry. Companies do not operate in isolation of these social factors. If these factors are not addressed by much wider measures than can be implemented by the FRC, the introduction of reporting requirements could well lead to token appointments.

My own experience also of boards is that training is required for many of the chairmen in common gender differences in meeting behaviour. Without an appreciation of how to run effective meetings of diverse groups, a chairman can effectively disenfranchise women board directors and reduce their effectiveness, again leading to the possibility of accusations of tokenism and to lack of performance of women appointees.

This matter is a much broader matter than can be addressed through disclosure requirements and Lord Davies' report failed to address adequately the factors which lead to a scarcity of women appointees to boards.

Kind regards
Claire Wilkinson

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