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Sent: 29 July 2011 23:31
To: Chris Hodge
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Subject: Consultation Document: Gender Diversity on Boards - Forum UK's comments

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29 July 2011

Chris Hodge
Corporate Governance Unit
Financial Reporting Council
Fifth Floor
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71-91 Aldwych
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Dear Mr Hodge

CONSULTATION DOCUMENT: GENDER DIVERSITY ON BOARDS

As a well established network of 229 eminent women of diverse and outstanding achievement in the UK, the work that Lord Davies is leading on to improve gender diversity on Boards is of great interest to many of our members. We therefore welcome the opportunity to comment on this consultation document.

Are further changes to the Code needed

We consider the introduction of the principle of Board diversity in the 2010 revision to the UK Corporate Governance Code to be a good starting point. This helped to raise awareness of gender imbalance on Boards as an issue. However this alone will not address the gender imbalance. There needs to be faster progress and one way of achieving this has to be to make further changes to the Code. We support the recommendation by Lord Davies that :

all listed companies should publish their policy on gender diversity in the Boardroom
all listed companies should set objectives and targets and measure and report on how well they are doing
there should be an explicit disclosure requirement in annual reports

What should the changes be

We are in agreement with the suggested amendment to Provision B.2.4 except that the amendment should ask for how any lack of progress will be addressed

There should be greater transparency on how directors are appointed. A description of the search and nomination process as well as the criteria used in annual reports would be helpful

In our view including Board evaluation as one of the supporting principles would be desirable. It is important to ascertain whether having greater gender diversity has made a positive difference to Board effectiveness as it strengthens the business case for having more women on Boards.

Timing of any changes to the Code

Having considered the three option dates we would favour bringing in the changes for accounting periods starting on or after 29 June 2011. This will ensure that the momentum which has started in really addressing the gender imbalance issue will be maintained throughout 2011/2012. During 2012 we should be able to see whether positive changes are starting to take place and if further action is needed.

If you wish to discuss the above comments please do not hesitate to contact me on 07903 153 793 or email MeiSim@LaiPeters.org

Yours sincerely

Mei Sim Lai OBE DL
Chairman
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