

Board Turnover in the FTSE 350

The Continuing Impact of the Economic Crisis

2009 Third Quarter Update

Executive Directors

In advising Board Members on their careers at times of change, we observed a slowdown in the rate of Executive Board changes being made during the first half of 2009. This followed on from the initial slow down which commenced in the last two quarters of 2008.

Updating those figures at the end of the third quarter of this year reveals that while the overall numbers are small, the results for the year to date show a cumulative drop of 9% since last year, and a drop of 22% against the same period in 2007.

- *CEOs*

Strikingly, of that overall fall in turnover, the drop in CEO turnover at 50% against the same period in 2008 is the most remarkable. This supports the anecdotal evidence that Boards have been focusing on operational strategies for withstanding/surviving the worst of the recession and not seeking to make such major strategic departures as to require profoundly different skill sets in the CEO. This 4th quarter may already be showing signs of that changing, however.

Non-Executive Directors

During the first three quarters of 2009, there has been a significant increase in the rate of turnover of Non-executive appointments made – an uptick of 25% more than in the same period of 2008, and up 16% on that in 2007.

There has been no significant change in the absolute number of Non-executive positions in the FTSE 350 from September 2008 - September 2009. Going forward into 2010 we are going to continue to track the absolute numbers of both Non-executive positions and Non-executive Directors in the FTSE 350.

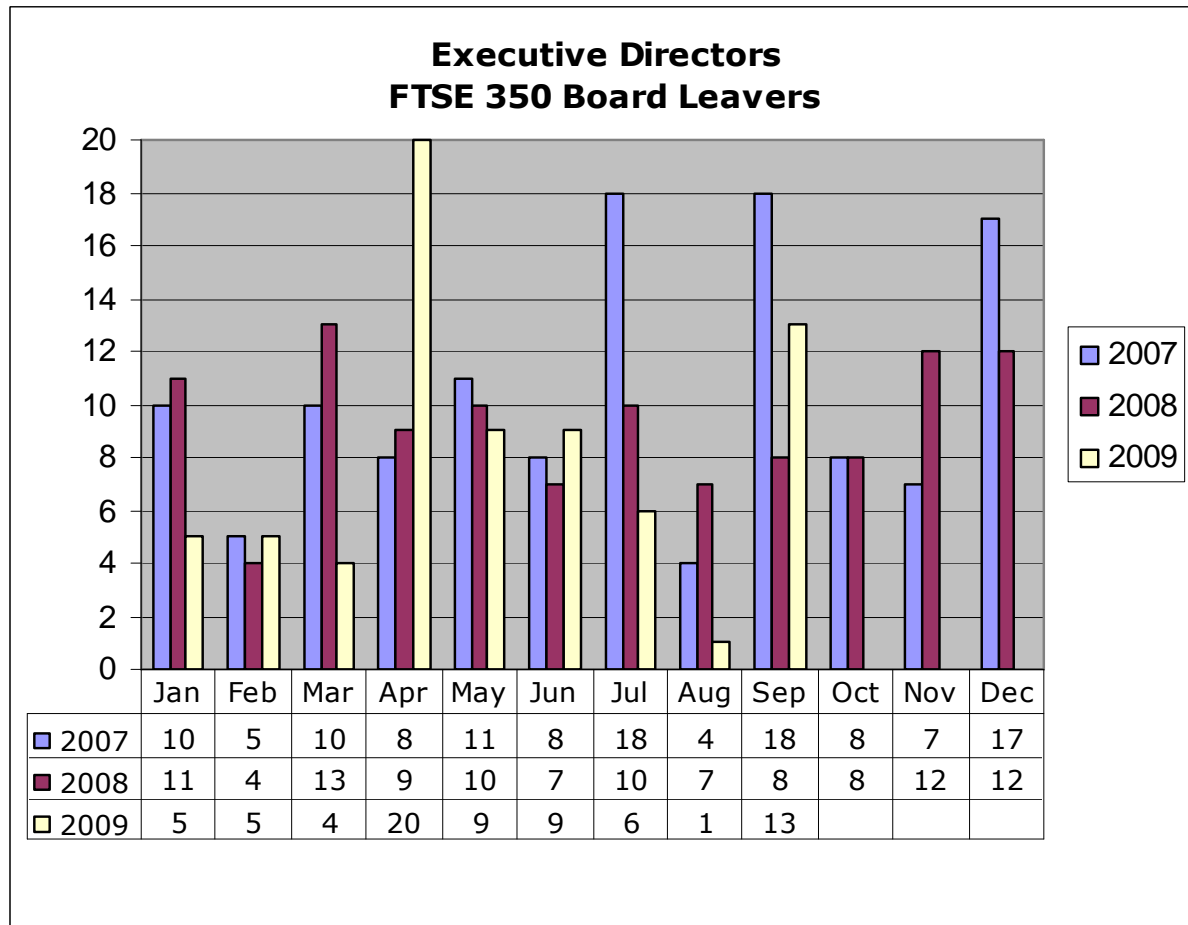
- *Chairmen*

As much discussed in the media, there appears to have been particular activity in the realm of Chairmen. 20 Chairmanships changed across the top 350, 9 of them in the FTSE 100. In looking at these changes however, outside of Financial Services, the majority have been as a result of governance guidelines on tenure.

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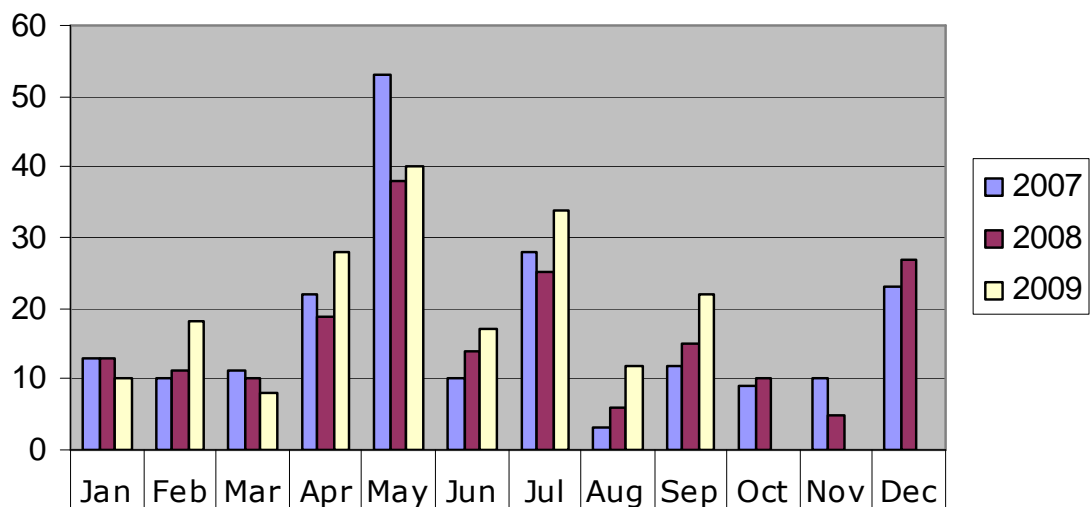
Executive Directors – FTSE 350 Board Leavers

	Q1	Q2	Q3	Q4	Total
2007	25	27	40	32	124
2008	28	26	25	32	111
2009	14	38	20		

Of which are CEOs –

	Q1	Q2	Q3	Q4	Total
2007	4	3	11	6	24
2008	6	5	6	6	23
2009	2	4	3		

Non-Executive Directors FTSE 350 Board Leavers



■ 2007	13	10	11	22	53	10	28	3	12	9	10	23
■ 2008	13	11	10	19	38	14	25	6	15	10	5	27
■ 2009	10	18	8	28	40	17	34	12	22			

Non-executive Directors – FTSE 350 Board Leavers

	Q1	Q2	Q3	Q4	Total
2007	34	85	44	42	204
2008	34	71	46	42	193
2009	36	85	68		

- In the FTSE 100, 748 NED positions are held by 660 individuals
- In the FTSE 350, 2077 NED positions are held by 1712 individuals
- The overall number of NED positions in the FTSE 350 has increased by 34 or 1.6%, since September 2008