



**KINGSLEY
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Global Asian Leaders

Non-Executive Roles – Is it worth *Getting on Board?*

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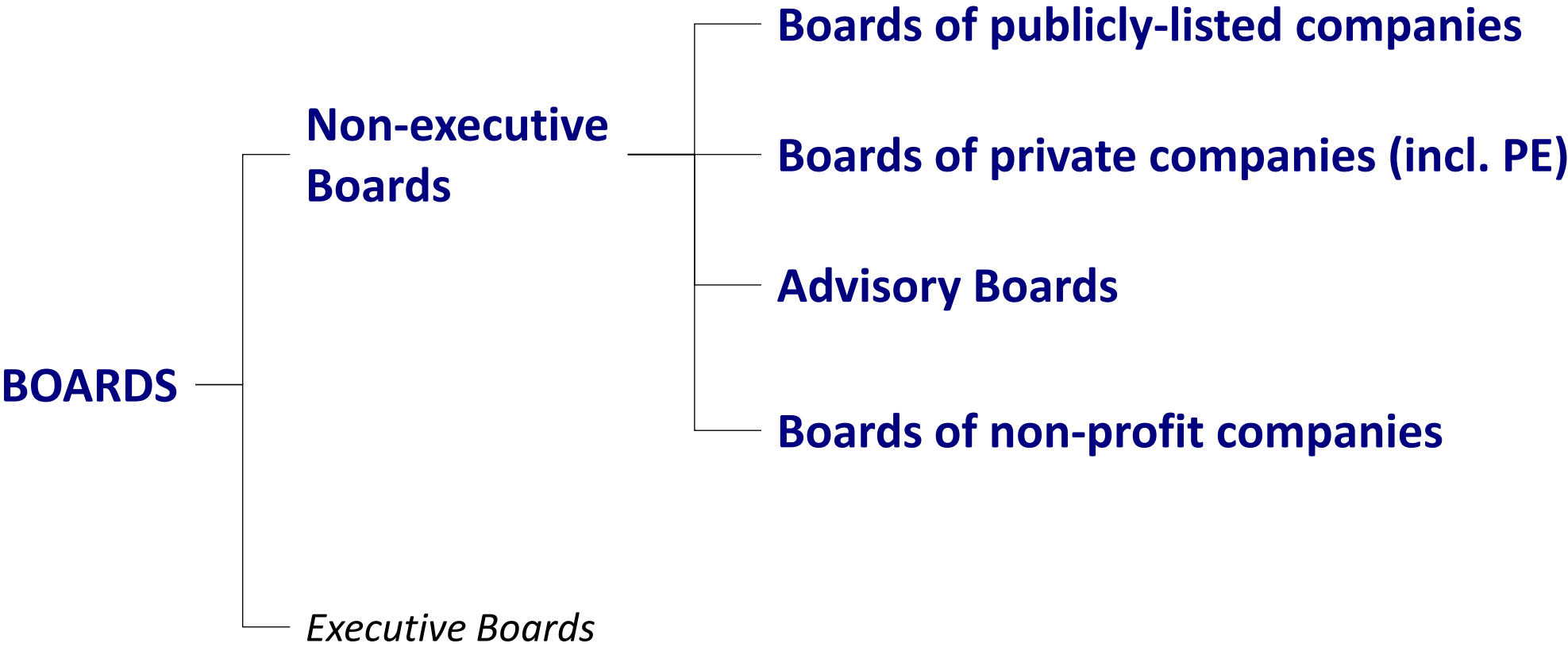


Getting on Boards – Questions we aim to answer today

- What type of Board opportunities exist?
- What Boards are looking for in Directors' candidates?
- What factors do you need to consider in deciding to join a Board?
- How can you build up your Board credentials/fit?
- What angle can you leverage as an Asian leader?



What is a Board role – let's get some basics right



What is a Board role – let's get some basics right



What is a **Non-Executive Director** ?

What is an **Independent Non-Executive Director** (INED) ?

What is an **Executive Director** ?



Tim Cook is CEO of Apple but he is also...

Executive Director on the Board of Apple

Independent Non-Executive Director on the Board of Nike

Member of the Advisory Board of Tsinghua University

Why do companies need formal Boards?



At the most basic level, Boards need to

1. **Represent the interest of all shareholders**, including minority shareholders
2. **Fulfil basic governance and reporting requirements** as needed by financial regulators
3. **Provide guidance to the CEO** and executive team

In addition they also usually

- Help manage capital market expectations and investor relations
- Provide leadership during major governance or financing events (e.g., funding/IPO, M&A takeover attempts, liquidity events)
- Help manage and mitigate enterprise-level risk (including Group-level crisis management)
- Drive CEO succession



Pro's and Con's of a non-executive role

Commonly cited reasons for taking on a non-executive role are

- Contributing / giving back / leveraging experience
- Networking
- Learning (e.g., new sector, new perspectives)
- Remuneration
- Tactical career advancement

But one should not ignore the costs / risks involved

- Time management
- Ever increasing regulation and scrutiny (public only)
- Activist shareholders
- Reputational impact (in case something goes wrong)
- Legal liability (in case something goes REALLY wrong)

Not everything always goes as planned...



Corporate Board vs Advisory Board

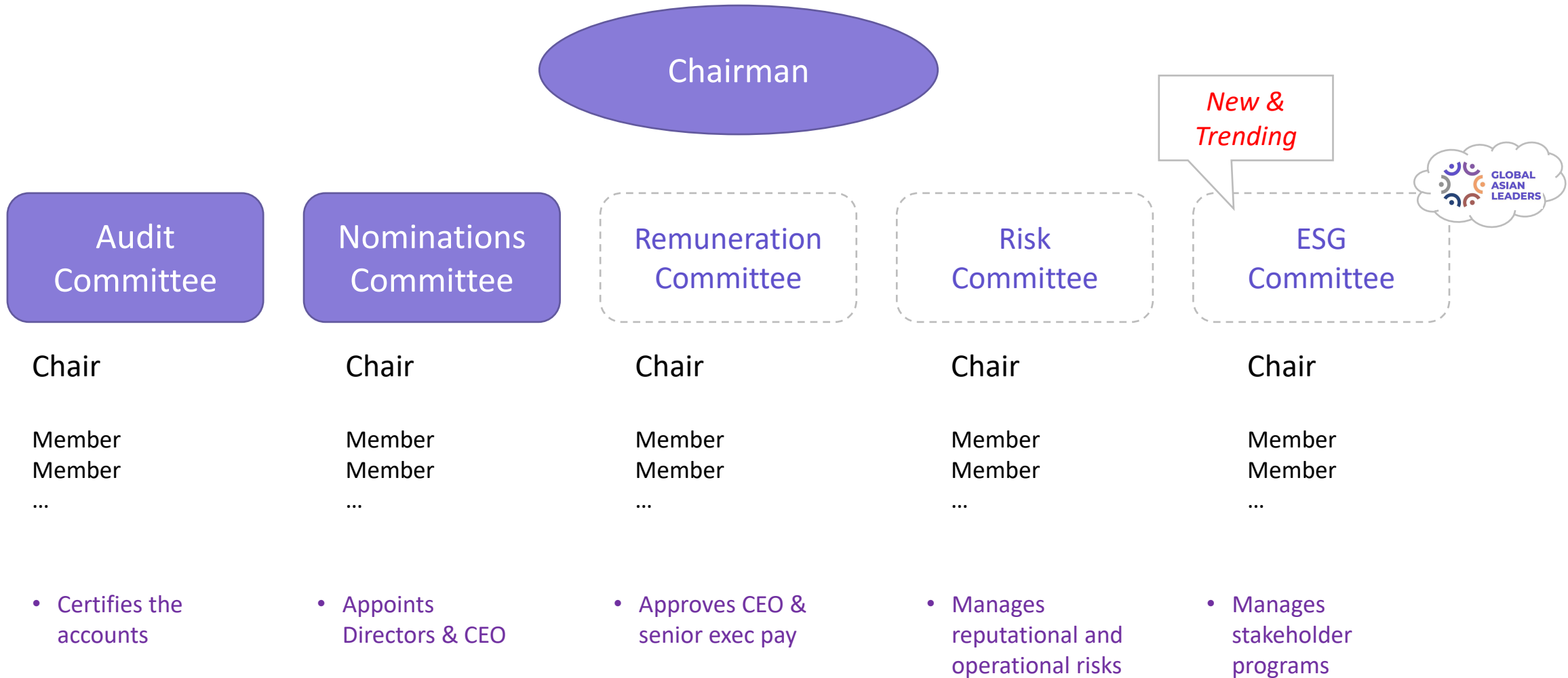


It is important to know that Corporate Board members **can be held personally liable** (will vary by jurisdiction) for governance issues at the company they are a Director of.

Directors and officers (D&O) liability insurance is insurance coverage intended to protect individuals from personal losses if they are sued as a result of serving as a director or an officer of a business or other type of organization. It can also cover the legal fees and other costs the organization may incur as a result of such a suit.

Unlike Corporate Boards, **Advisory Boards do not hold governance/fiduciary duties** and therefore have limited liability.

How are Corporate Boards typically organized?



The leadership attributes Corporate Boards often look for

In general Boards look for potential NEDs with the following leadership attributes

- **Collaborative**, good at **listening** but can also be **assertive** when needed
- Solid market **reputation**
- Able to drive **consensus**. Knows when to push a point but also when to step back
- **Intellectually curious**, has educated points on view on a wide range of topics, stays on top of the news cycle
- **Well-connected**
- **Fun** to be around (ideally)



Increasing pressure for Gender Diversity on Boards

Percentage of Women on ASX 200 Boards

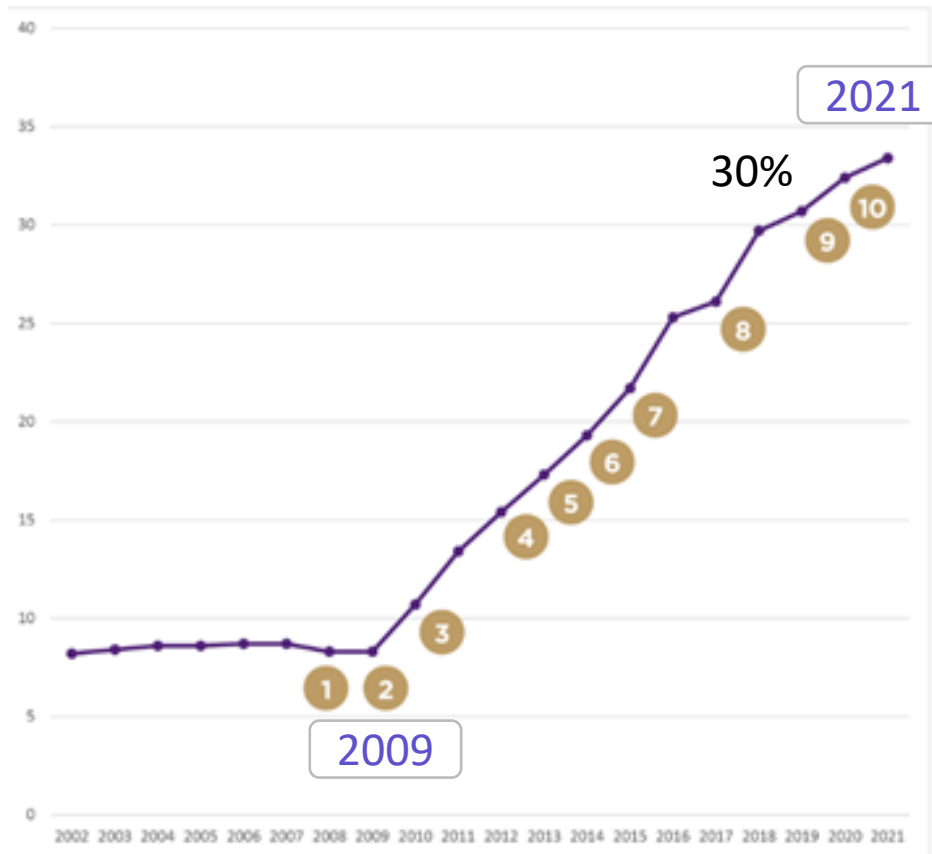


Figure 1. Percentage of Women on ASX200 Boards and Key Events Driving Progression. Note that arrows point to the year in which these events took place.

Countries such as the Nordics and Australia are leading the way on diversity in the Boardroom...

but the rest of Europe is now catching up

May 2021 – France’s Parliament voted to introduce gender quotas on the Executive Teams and leadership pipelines of companies over 1,000 people.

The targets set are 30% minimum of either gender by 2027, 40% by 2030.

How Global Asian Leaders can approach Board roles



For Asian companies
(wanting to expand internationally)

- Bring a global business perspective but with “Asian sensibility”
- Global standard of governance (e.g., on compliance, ESG)
- Public-listing requirements

For Western companies
(wanting to grow in Asia)

- Bring a first-hand strategic perspective of what it takes to grow in Asia
- Asian networks and relationships
- Help meet diversity quotas

Three things to increase your chances to get on Boards

1. Consider getting a professional Director accreditation





Three things to increase your chances to get on Boards

2. Explore ways to build up your non-executive credentials

- Does your company have joint-ventures or separately run investments that you can join the Board of?
- Do your job involves being part of industry / trade associations / clubs where you could play a governance role?
- Do you have any personal passion where you can get volunteer in not-for-profit governance activities? E.g., sports, arts, education, etc.



BoardMatch

Board Match is a programme in Singapore to bring diversity and rejuvenation to Boards of non-profit organisations (NPOs) by matching senior executives with at least five years of management and leadership experiences from both the public and private sectors to the Boards of NPOs.

Three things to increase your chances to get on Boards



3. Consider joining an Advisory Board

Example of organizations that often value Advisory Boards

- **Fast-growing start-up companies**, particularly when they are at funding stages around Series B/C and above
- **Mid-size professional services firms**, that need help in developing business in new segments / geographies – e.g., consulting firms, search firms, engineering firms
- **Educational institutions**, although they often favor their own alumni unless a specific skill/experience is needed

May or may not be remunerated



Tactical steps towards securing your first NED role

Once you have worked out what you want to do and why you are doing it:

- **Build your business case** and be clear about what it is that you bring. Functional or sectoral or both?
- **Engage with your employer** and confirm their support. Be clear about conflicts
- Let everyone in **your network** know what it is that you are looking for
- Put together a **longlist of companies/sectors**
- Meet with a select number of relevant **search professionals**
- **Attend relevant events** – online and offline
- Use your network and **don't be afraid** to write to Chairs directly



Questions

