

NTG/DH-dr

9 November 2015

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## ISS Governance

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Dear Sirs

We are writing in response to your consultation on director "overboarding" in the UK and Ireland and changes you are considering making to your policy on the maximum number of board positions an individual should hold.

Whilst we fully agree that directors must be able to devote adequate time to effectively carry out their duties, we are not convinced that setting a maximum number of positions is the best way of achieving this.

We do note that your proposed policy would take into account the nature of appointments and agree wholeheartedly that the required time commitment can vary significantly. However, it is well recognised that whilst an investment trust would typically require less time than an operating company, other organisations such as charities, NHS trusts and PE backed companies usually require much more. Therefore, we don't fully understand your focus on listed companies only; a person's time is finite irrespective of where that time is spent.

Rather than setting a numerical cap, we feel a more reliable approach would be to place greater emphasis on time commitment when undertaking the board evaluation process, particularly when they are externally facilitated, and perhaps accompanied by a requirement to make a specific reference to this in the Report and Accounts: this could be achieved by a small amendment to the Code. There is also the existing requirement to report on board and committee attendance, which can be used to give an indication if there is a time commitment issue.

Thank you for the opportunity to provide you with feedback on your proposal.

Yours faithfully



David Henderson  
Group Secretary