

# What are the essential skills for Non Executive Directors of publicly listed businesses in the UK

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For NEDs of listed businesses in the UK, the “essentials skills” are not just about business experience they are about meeting the legal, regulatory, governance and strategic demands that come with the role.

## Core skills and attributes expected:

### 1. Corporate governance and compliance

- **Understanding of the UK Corporate Governance Code** – especially board composition, risk management, remuneration and shareholder engagement.
- Familiarity with the **Companies act 2006** and directors’ statutory duties (e.g. promoting the company’s success, exercising independent judgement, avoiding conflicts of interest.)
- Awareness of **listing rules, disclosure guidance and transparency rules (DTRs)**
- Experience ensuring adherence to ESG, sustainability, and ethical reporting obligations.

### 2. Strategic Thinking and Oversight

- Ability to **challenge and support** Executive management constructively.
- Long term vision for sustainable value creation – not just short-term profits.
- Skill in reviewing and approving corporate strategy, capital allocation, and major investment decisions.

### 3. Financial and Commercial acumen

- Strong grasp of **financial statements** and ability to interpret P&L, balance sheet, cash flow, and KPI’s.
- Understanding of capital markets and investor expectations for listed entities.
- Ability to assess financial risk, funding strategies and dividend policies.

### 4. Risk management and audit oversight

- Knowledge of **risk frameworks** (operational, regulatory, financial and reputational).
- Experience with internal control systems and audit processes.
- Familiarity with cyber security, data protection, and emerging risk areas.

## 5. Independence & Integrity

- Capacity to remain **independent in judgement** despite relationships with management.
- Strong ethical standards – acting in the interests of shareholders, not just a select group.
- Willingness to **speak up** even when views are unpopular.

## 6. Stakeholder communication

Ability to engage effectively with:

- Institutional and retail shareholders.
- Regulators (FCA, FRC).
- The media, when necessary.
- Clear communication in **annual reports**, AGM discussions, and shareholder Q&A.

## 7. Remuneration & People oversight

- Understanding of executive **remuneration frameworks** that align with shareholder interests.
- Awareness of succession planning for senior leadership roles.
- Oversight of culture, diversity & inclusion policies.

## 8. Sector & Market Knowledge

- Deep understanding of the company's **industry dynamics** and comparative landscape.
- Awareness of macroeconomic, political, and regulatory trends impacting the sector.

## 9. Time commitment and preparedness

- Willingness to commit significant time to board meetings, committee work, and preparation.
- Ability to handle crises and special situations (M&A, regulatory investigations, activist shareholders campaigns)

## 10. Soft skills and Board room presence

- **Listening, influencing, and diplomacy skills** – not just dominating the conversation.
- Resilience under scrutiny.
- Collaborative approach while being unafraid to challenge.