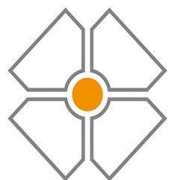




KORN FERRY

BE MORE THAN

# CANDIDATE INFORMATION PACK



**SHEFFIELD**  
FORGEMASTERS

Sheffield Forgemasters

*Non-Executive Director*



# THE COMPANY

**A UNIQUE COMPANY, A GLOBAL LEADER.....**

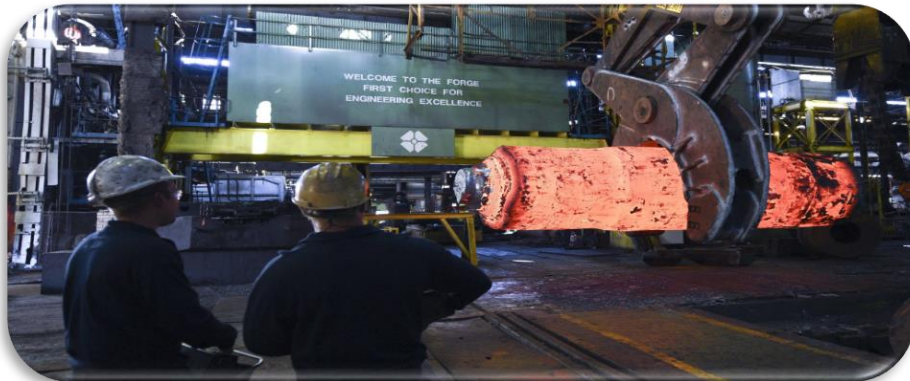
## *The Business:*

Sheffield Forgemasters is a unique UK business and a national champion in its field with the capability to design and manufacture large, high-quality castings and forgings to the most exacting standards and demanding engineering applications. Throughout its history, the business has brought innovation to complex manufacturing and forging processes. Today it serves as a critical supply chain partner for the UK's Defence and National Security effort, as well as for global markets, including Civil Nuclear, Oil & Gas, Power Generation, Renewables and Steel Processing.

Very few companies in the world can do what Sheffield Forgemasters does. Some of the largest, bespoke-engineered, steel products in the world are produced in its facility in Sheffield, with capacity for castings of up to 350 tonnes and forgings of up to 175 tonnes finished weight.

The business is now executing on an ambitious business plan and growth strategy and is in the process of driving a radical, 'once in a generation' transformation plan, which will take the company forward with enhanced capability, culture and growth prospects.

**Website Link:** [www.sheffieldforgemasters.com](http://www.sheffieldforgemasters.com)



## *History:*

SFIL's history can be traced back to the 1750s, since when it has consistently been at the forefront of innovation and new process development in the steel industry, having produced some of the largest castings and most complex forgings ever manufactured worldwide.

SFIL was established in 1983, following the merger of Firth Brown and British Steel Don River Works, though its origins stretch back much further as part of the Vickers Group. Today, the business employs circa 600 highly skilled employees, the majority of whom are based at the iconic Brightside Lane facility in Sheffield. Its sole shareholder is the MOD (supported by UK Government Investments), which has had arms-length ownership of the business since 2021.

## *About Sheffield:*

Sheffield Forgemasters is a high-profile business, that occupies a prominent place in the fabric of life in the city of Sheffield. The city is located in the North of the UK with strong links to the broader Yorkshire area and the nearby Peak District. The story of Sheffield Forgemasters is woven into the history of the city and has provided quality continuous employment for generations of many families connected to the company.

Sheffield is famous for a strong industrial manufacturing industry and more recently as a cultural and educational hub for the UK with the University of Sheffield and Sheffield Hallam University located close to the SFM facility.

# PURPOSE....



SFIL's purpose is clear; to support the Defence of the UK and its allies through the provision of high quality, critical components required by the world's leading defence OEMs. The business' strategic objectives are to;

- Deliver the UK defence business outputs by strengthening the capability needed to deliver high-grade castings and forging products on a commercially sustainable basis;
- Deliver its capital investment programme successfully and efficiently demonstrating value for money for the UK taxpayer;
- Deliver sustainably profitable income streams across its defence and commercial business activities;
- Continuously improve the efficiency and performance of the Company, utilising industry best practice in key areas including technical innovation, health and safety, environment and sustainability in line with Government targets (i.e. HMG net carbon zero commitments);
- Encourage a diverse and high-performing workforce by attracting, investing in and retaining diversity of talent, with the right skills and behaviours that generate an inclusive workplace



## RECAPITALISATION PROGRAMME AND OWNERSHIP

### Ownership structure

It was announced on 28 July 2021 that SFIL would embark on a major recapitalisation programme, which commenced during the second half of 2021. The initial five-year phase of this programme is focused on delivering substantial critical asset renewal, with the emphasis on; The Forge press and building, flood prevention measures, and machine shops.

The MOD will fully fund the recapitalisation and has committed to a substantial capital 10-year investment programme which represents a once in a generation upgrade to key equipment and facilities. This investment will secure Sheffield Forgemasters' critical role within the UK defence supply chain.

As part of this agreement the UK government has arm's length control of SFIL, with a MOD shareholder representative sitting on the SFIL Board in a non-executive capacity.

Taken as a whole, the business context for SFIL is exciting and ambitious and the coming years will see it do the following:

- Foster a strong relationship with MOD as both shareholder and customer
- Benefit from a substantial capital investment programme
- Make a transformational investment in people, plant and processes
- Contribute to transforming Defence capacity and capability
- Grow the business into clean energy, global defence and other attractive markets where SFIL has a competitive advantage.

# PRODUCTS AND SECTORS



SFIL manufactures a selection of highly engineered, critical components for a range of sectors.

Sectors served include:

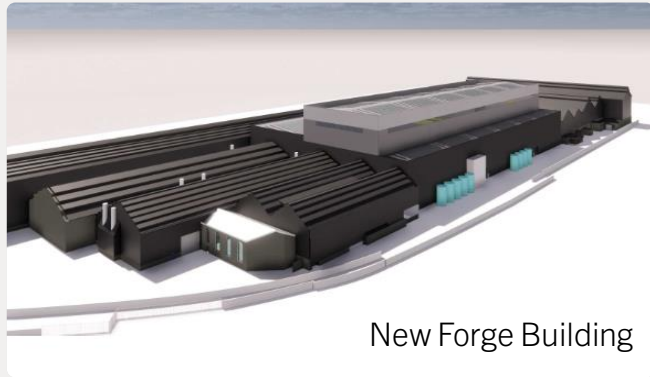
- **Defence & Marine** - An approved supplier of high strength NQ1 and HY steel grades vital for Naval applications. SFIL have supplied cast and forged steel components for numerous submarine platforms and surface vessel programmes. A broad range of capabilities and facilities allows it to supply products ranging from cast components, such as valve bodies, up to 22 metre forged shafts.
- **Civil Nuclear** - Components for fusion power exploration and the advancement of small modular reactors. In 1990, SFIL was awarded the ASME NCA 3800 accreditation which broadened its scope, enabling it to supply Westinghouse and Mitsubishi Heavy Industries with safety critical Pressurised Water Reactor (PWR) components. The business also provides technical research and support services such as to AXPO and ENSI, which, for example, enabled the restart of the Swiss Beznau power-plant after a two-year hiatus.
- **Offshore** - SFIL is a world leading heavy castings supplier, offering grades such as A707 and F22 steel. The manufacturing of advanced components is supported by an innovative R&D department, resolving and predicting the technical problems of the future. The business has developed new concepts such as cast steel nodes and improved steel grades to meet the growing challenges faced in this sector, often in sizes beyond the capabilities of other forges and foundries.
- **Steel Processing** – SFIL’s steel processing facility was custom built for forged steel roll production and is among the most advanced, dedicated, forged roll plants in the world, delivering lowest cost of ownership to steel producers.
- **Renewables** – The Company is a member of the British Hydropower Association (BHA), through which it aims to offer cost savings with alternative structures and ease of installation whilst improving fatigue resistance.
- **Power Generation** - Low alloy and specialist alloy steels, such as 3.5% NiCr MoV and 10%Cr for higher in-service temperatures required in super-critical turbine and generator applications. SFIL frequently manufactures valves for power stations and pumps for demanding applications.
- **High Pressure Reactors** – SFIL has manufactured reactor vessels for safety critical processes since the 1930’s and holds certification to manufacture to ASME section VIII Div3. High pressure, bespoke designed units requiring the latest forging and casting techniques can all be manufactured, refurbished and pressure tested onsite.
- **Steel Plant** - Sheffield Forgemasters has the capacity for multi-ladle pours in excess of 600 tonnes of liquid steel, producing single finish machined pieces, for steel plant applications, up to a maximum of 350 tonnes and to exacting tolerances. A commitment to technology, and the one-stop-shop onsite steel facilities means, SFIL can satisfy the increasing demands for larger, heavier castings for the forging press and rolling mill markets. Large components can also be cast in multiple pieces, allowing customers to assemble this at their own site and provide ease of transport.
- **Ingot and Bar** - Integrated melt facilities, along with years of research and development, allows SFIL to produce accurately specified steel ingot and bar in a variety of steel and alloy grades using high alumina refractory linings and some of the most modern teeming equipment and methods. Each stage within the melting operation is monitored by highly trained technicians and operatives to guarantee a clean steel practice from start to finish.



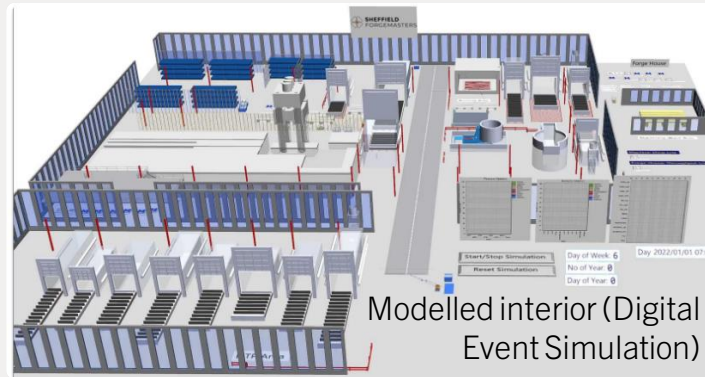
# TRANSFORMATION...

The recapitalisation programme for Sheffield Forgemasters will be transformational for the Company, providing it with the cutting-edge advanced manufacturing capability that will sustain its position as a global leader in its chosen markets for decades to come, below is a small selection of some of the changes that this investment will deliver:

## RECAPITALISATION FORGE BUILDING & FORGELINE



New Forge Building



Modelled interior (Digital Event Simulation)

## NEW MACHINE SHOP



New Machine Shop



New Access Road



Bays 8 & 9 demolition



Horizontal Lathe



# *NON-EXECUTIVE DIRECTOR*

POSITION SPECIFICATION

# BOARD CONTEXT

The Board of Sheffield Forgemasters is an open and collegiate group. The executive and non-executive directors work effectively together in a dynamic and demanding environment, with non-executive directors providing external perspectives, support and challenge.

The Board is ultimately responsible for the success of Sheffield Forgemasters and the Directors are committed to the highest standards of corporate governance to enable the Company to achieve its aims and objectives.



## *Constitution and Sub Committees*

Sheffield Forgemasters' Board is chaired by an independent non-executive Chair in Sir Tim Fraser (formerly Vice-Chief of the Defence Staff), it further comprises three executive directors (CEO, CFO and COO), three independent non-executive directors and a shareholder representative non-executive director nominated by the MOD. The shareholder role is performed by DNO-UKGI.

The board has 4 sub-committees:

- The recapitalisation or 'recap' committee, which provides oversight of the recapitalisation programme, to ensure the upgrade of key equipment and facilities runs on time and to budget, preventing any disruption to the UK defence programme. Chaired by Andrew McNaughton.
- The Audit and Risk committee, which provides oversight of the audit process, risk assurance processes and financial and other controls. Chaired by Patrick Butcher.
- Remuneration Committee, which provides oversight of Executive Compensation arrangements. This is currently chaired by Janice Munday who is standing down as NED and it is envisaged that the newly appointed Non-Executive Director will take up this role.
- Nominations committee, comprising all NEDs and chaired by Sir Tim Fraser.

## *Background to the Appointment*

This appointment to the board is being made at a time of profound operational and cultural change for Sheffield Forgemasters. The requirement to deliver operationally to the highest global standards for a demanding customer base, whilst simultaneously transforming the surroundings, the infrastructure and the culture of the business represents an enormous challenge for the leadership of the company.

To add further value to a strong board, the new Non-Executive Director will bring a deep manufacturing orientation to the table. With a clear understanding of global standards in advanced manufacturing and with a proven track record of transformative leadership in a relevant sector setting, the new Director will have an important role to play in advising, challenging and supporting executive management on the 'perform / transform' agenda ahead of them.



# KEY RESPONSIBILITIES



The new Non-Executive Director's duties and responsibilities will include....

- Utilising a track record of leadership in capital intensive, advanced manufacturing environments that have truly transformed, from an operational and cultural perspective, to provide guidance, challenge and perspective for the CEO and executive team on the various phases of the transformation of the Company.
- Promoting appropriate processes and procedures with reference to world-class practices to deliver high standards of professional, administrative and personal behaviours across the organisation.
- Support the aims and objectives of the Company consistent with its overall strategic direction (including the Strategic Objectives) agreed by the Shareholder
- Contribute to the effective board-level leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed
- Offering constructive challenge to the Executive Directors regarding their analyses and recommendations. This includes having the strength to bring a new perspective to discussions.
- Ensuring the company conforms to the highest standards of corporate governance and makes decisions in a transparent manner.
- Advising on risk management processes for the business, ensuring that processes are tested and updated.
- Ensure the best use of financial and other resources.

- As committee Chair, Reviews the remuneration policies and incentive policies of Sheffield Forgemasters to fulfil the objectives of the Company (within the freedoms and delegations afforded to Sheffield Forgemasters); and guides the recommendations of the Remuneration & Nominations Committee, including Chief Executive remuneration, making sure that the approval route via the Shareholder aligns to that agreed with MOD
- Acting in line with high standards of corporate governance to ensure that Sheffield Forgemasters complies, where appropriate, with the Code of Good Practice for Corporate Governance in Central Government Departments.





# EXPERIENCE

Qualified candidates will have demonstrated their ability to add value across a range of operational, organisational and strategic issues. They will be seasoned businesspeople, and experienced board-level operators drawing on knowledge and experience that includes;

- Leadership experience at the 'enterprise level', most likely as a CEO or Managing Director of a significant business division.
- Deep expertise and experience of industrial manufacturing; ideally with experience of operating in globally competitive manufacturing sectors
- Operational manufacturing experience in highly regulated, demanding product specification sector such as Defence, Civil Nuclear, Aerospace
- Transformational modernisation of plant, processes and incorporating contemporary digital technology
- Strategic workforce planning and transformation; including workforce skills development
- Previous involvement with and/or leadership of a remuneration committee would be an advantage.
- Capable of securing SC level clearance ([National security vetting: clearance levels - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/national-security-vetting-clearance-levels)).

# ATTRIBUTES

The board seeks a candidate with the integrity, independence and broad business experience required of all non-executive directors. Candidates should be well placed to challenge constructively by bringing strong, independent judgement, knowledge and experience to bear. Candidates will also possess the following traits and attributes:

- A rounded business leader, who will ensure that they are always well informed about the company and the external environment in which it operates.
- Demonstrates independence of mind, openness, transparency and good judgement.
- A team-player, with first-rate interpersonal skills. Able to engage in a constructive manner with senior executives and make challenges when necessary.
- A strong profile and reputation, upholding the highest standards of integrity.
- Candidates should reflect the company's values of Safety & Wellbeing, Working Together, Trust & Respect and Quality & Innovation. This appointment is made by the Board subject to the consent of Ministers. As such, this person will be a public appointee and expected to adhere to the Seven Principles of Public Life ([The Seven Principles of Public Life - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/seven-principles-of-public-life)).
- The role is a 'Reserved Post', meaning the successful candidate must hold UK citizenship, but can be a dual national.





# BOARD DATES & DIRECTOR'S FEE

The annual Board cycle consists of the following meetings:

- 6 Board meetings: January, March, May, July, September and November
- 2 Board workshops each year:
  - Strategy Workshop – in the Autumn
  - Risk Workshop and a Talent & Succession Workshop – in early Spring
- 3 RemCo meetings
  - January, May and September
  - The May meeting will approve the outturn of the performance related pay for the proceeding FY.
  - The January meeting will approve PRP for the forthcoming year
- The overall time commitment for the NED, including chairing the Remuneration Committee, is c.2-3 days per month.
- The Directors Fee is set at £29,999 per annum. All company related travel expenses, required for the proper execution of the role are reimbursed.

# Korn Ferry Project Leads

## Peter Duffy

Senior Client Partner

T. +44 207 024 9096

M. +44 782 448 3945

E. [Peter.Duffy@KornFerry.com](mailto:Peter.Duffy@KornFerry.com)

## Fraser Hunt

Associate

T. +44 20 381 92636

E. [Fraser.Hunt@Kornferry.com](mailto:Fraser.Hunt@Kornferry.com)

# BOARD DIRECTOR BIOGRAPHIES



## **Sir Tim Fraser, Chairman**

Tim Fraser joined Sheffield Forgemasters in Feb 23 after a 40-year career in the Royal Navy and UK Defence. A surface warfare officer by background, he commanded at sea and Joint operations. He has spent a significant time over the past 20 years in MoD appointments, primarily in programming, planning and capability development and was deeply involved in the 2015 and 2021 Defence and Security Reviews.

Tim's last appointment was as the Vice Chief of Defence Staff (2019-22), a member of the Defence Board and co-chaired, with the Permanent Secretary, the Defence Nuclear Enterprise Board.

## **David Bond, CEO**

David is an engineer and business leader with over 30 years of international experience across the defence sector.

Having worked with Ferranti, Marconi and BAE, he has managed manufacturing businesses in the UK and Sweden, delivering Combat Vehicles to the British Army and international customers. He was COO for BAE Systems Australia with specific responsibilities for the Maritime, Land and Integrated Systems businesses. David was seconded from BAE to be CEO of Sheffield Forgemasters in July 2018 and is the architect of the long-term strategy. He will remain as a secondee until July 2024.

## **Gareth Barker, COO**

Gareth is a mechanical engineer with 25 years' experience in heavy manufacturing, sales and operational leadership.

Gareth began work with Sheffield Forgemasters in 1996 as an apprentice engineer. He became the company's youngest ever Divisional Director in 2007. More recently he was Group Operations Director and Director of Customer Programmes. He was appointed COO in May 2021, and has overall responsibility for all site operations, technical, quality and health & safety. He leads the implementation of the recapitalisation plan.

## **Amy Grey, Chief Financial Officer**

Amy joined Sheffield Forgemasters in May 2022 as Finance Director and was promoted to CFO in July 2023. She is a UK qualified accountant (CIMA) with 21 years' experience including 10 years at executive team level.

Her career has seen Amy charged with substantial roles. As Vice President of Finance for multi-national Greenlane Renewables, a leading global provider of biogas upgrading systems, Amy moved to Vancouver, Canada to prepare the company for floatation on the Toronto Stock Exchange Ventures market.

Other notable roles include UK Finance Director for Heras Perimeter Protection, a Dutch-headquartered company with a global presence, Finance & Commercial Director at Kelda Group, a water services provider for Yorkshire, and Senior Finance & Commercial Manager for international outsourcing company, SERCO.

# BOARD DIRECTOR BIOGRAPHIES



## **Andrew McNaughton, Non-Executive Director**

From June 2016 Andrew served as Chief Operating Officer of the Systra Group, a French headquartered company with 7000 employees, globally, specialising in transport engineering and consultancy services. Andrew was previously Director of Engineering and Construction for Tidal Lagoon Swansea Bay Plc.

Andrew has over 35 years' experience of delivering major infrastructure in the UK and overseas. As both a project manager and an executive officer he has been responsible for the delivery of many of the country's major infrastructure projects over that time. Prior to his appointment at Tidal Lagoon, Andrew was the Chief Executive Officer of Balfour Beatty plc. He held a range of executive positions in his 17 years at Balfour Beatty, including Chief Operating Officer and latterly Chief Executive Officer. From graduation he initially spent 12 years with the Kier Group.

Andrew is a Fellow of both the Royal Academy of Engineering and the Institution of Civil engineers. He has served as a Vice President of the Institution of Civil Engineers and was previously named Civil Engineering Manager of the Year by the Institution.

## **Patrick Butcher, Non-Executive Director**

Patrick's previous roles since 2009 have included include CFO of English & Scottish Railway (now DB Schenker Rail UK), Capita, The Go-Ahead Group PLC and Group CFO for Network Rail where he was accountable for financial strategy development and implementation through a nationwide team. He also had accountability for IT, Procurement, internal logistics, HR and Legal.

He currently serves as a non-executive director on the Boards at HELROM (Germany), Endava and Sheffield Forgemasters.



# BOARD DIRECTOR BIOGRAPHIES

## **Janice Munday CBE, Non-Executive Director**

Janice is an experienced non-executive director, supporting corporate governance and strategic decision making.

She served as Director of Advanced Manufacturing and Services for the UK Department of BEIS from 2010-16. Janice is currently a NED at Inogenesis, working to bring disruptive technology into businesses, an Ambassador for the Industrial Cadets, and Principal Fellow at Warwick Manufacturing Group. Janice joined Sheffield Forgemasters as Non-Executive Director in October 2016. She chairs the remuneration committee and is a member of the audit & nomination committees. Janice will be retiring from the Board in the Autumn of 2023.

## **Julie Colgan, Shareholder Representative Non-Executive Director**

Julie is a chartered accountant and is JIEB qualified. She has over 25 years' experience in Restructuring, Insolvency and Creditor Advisory.

Having started her career at Coopers and Lybrand, Julie spent 12 years working in practice (PwC and Kroll) before joining Barclays as a Director in the Restructuring Team. During this time, Julie worked on a variety of situations including multi lender listed transactions.

Julie joined UKGI in July 2019 into the Special Situations Group, who focus on sectors and corporates where there is the risk of economic shock impact to major employment or assets of national interest.