

REPORT OF CFA UK NOMINATING COMMITTEE TO MEMBERS

October 2023

Introduction

CFA UK's nominating committee is appointed annually, to consider officer succession planning and to make recommendations on those standing for election or re-election to the board of directors at the annual general meeting. This report summarises the work of the nominating committee for 2023 and the committee's recommendations.

Membership of the committee

The members of the committee are determined by the board in accordance with the society's articles of association. As immediate past chair of the society, I, Daniel Murray, CFA, was appointed chair of the committee and was joined on the committee by three of the society's directors who are not eligible for re-election this year, Kieran Ferguson, CFA, Katerina Kosmopoulou, CFA and Fraser Lundie, CFA. The role of the independent member of the nominating committee was again fulfilled by Lucy MacDonald, ASIP.

Committee's role

This year the committee has held four meetings.

The committee considers proposals for the re-election of those directors who are due to stand for re-election at the AGM and for the election of any new directors and to make recommendations to the board accordingly. The committee is guided by the requirements of the society's articles which were amended in 2021. Under article 56 of the articles of association, the board's size must be reduced to ten by the end of this year's AGM. Accordingly, only one director can be recommended for election in place of the two directors retiring from office this year.

For the second year, the committee undertook a review of officer succession planning and made two recommendations, which the board accepted. Firstly, that Hilary Eastman, CFA, should be appointed as the society's chair with effect from this year's AGM when the current chair, Lindsey Matthews, CFA, is due to step down from the board at the end of his six year term. Secondly, that Weiyen Hung, CFA, should be appointed as the society's treasurer with effect from this year's AGM when the current treasurer, Hilary Eastman, CFA is expected to be appointed as chair. The board accepted both recommendations which will be formally approved by the board at a meeting immediately prior to the AGM.

The committee is also tasked with making a recommendation to the board on the appointment of a distinguished member of the profession who is willing to serve as an independent member of the nominating committee the following year. Lucy MacDonald, ASIP, who has performed this role since 2020, indicated her desire to step down from the role at the end of 2023. On behalf of the committee and the society, I would like to thank Lucy for her significant contribution to the committee's activities over the last three years.

A process to find a replacement independent member of the committee was carried out and Debbie Clarke, FSIP was recommended as Lucy's successor for 2024; the board has since approved her appointment. Debbie has had a 40 year career in investment. Initially Debbie managed assets on behalf of clients, leading global teams of asset managers. She had a period as a client consultant before moving into forward looking due diligence manager research across the globe. Her last role before retiring in 2021 was Global Head of Investment Research at Mercer responsible for manager and strategic research, leading a team of over 100 investment professionals working globally across all major asset classes. She was also responsible for the oversight of the Mercer Responsible Investment team. During her career she has been involved with the CFA as a member of the CFA Institute advisory board and was an Independent Trustee of the Church of England Investment Committee. Now retired, Debbie is a non-exec director and works for a consultant helping asset managers improve their messaging.

Directors standing for re-election

Under the society's retirement by rotation provisions in the articles of association, only two board members were required to stand for re-election this year. The committee was provided with information regarding the current board, each director's election and re-election dates, their attendance at meetings and other society involvement as well as written submissions from all board members about their own contribution and aspirations. The committee took account of the existing balance of the board and the qualities and experience of the directors due to stand for re-election and, having reviewed all the available information, unanimously approved a recommendation to the board that Hilary Eastman, CFA and Gillian Elcock be proposed for re-election. The board was subsequently pleased to adopt this recommendation.

Selection process and recommendations for election

The committee reviewed the collective skills and experience of the board and those which would be lost with the departure of the outgoing board members and determined that the priority attributes for this year's new director selection process should include a good depth of experience in finance, IT, change management and/or experience of the society gained through volunteering activities. An open recruitment process was conducted and the committee was delighted that 30 members came forward. As in previous years, the quality of nominees was exceptionally high and the committee would like to express its thanks to all those who put themselves forward.

The committee reviewed all the applications to identify those nominees who it considered offered the strongest skills and closest match to the attributes which the committee had identified as priorities in the current selection process. Those applicants selected for interview in the initial round were invited to discuss their experience and qualifications, as well as the contribution they would want to make if selected. Shortlisted applicants were subsequently selected and further discussions between them and committee members took place. Final round nominees were also asked to complete a cognitive diversity assessment to help ensure that a variety of perspectives will be brought to the boardroom.

Following this comprehensive exercise, the committee was pleased to recommend that Suzanne Hsu, CFA, be proposed for election as a director. I am pleased to report that Suzanne Hsu, CFA, has confirmed her willingness to serve and to commit sufficient time to the role and that the board has subsequently accepted the committee's recommendation. Consequently, Suzanne Hsu, CFA, is now formally proposed to members for election at the annual general meeting. It is the committee's firm belief that her appointment will enhance the board's collective ability to lead and govern the society effectively.

Brief biographies for Suzanne Hsu, Hilary Eastman and Gillian Elcock who are standing for election/re-election can be found in the letter from the society's chair, Lindsey Matthews, CFA, which accompanies the AGM notice.

Lindsey's forthcoming retirement from the board means this will be my last year chairing this committee. I would like to thank my fellow committee members for their hard work and wise counsel whilst serving with me.

Daniel Murray, CFA
Chair, Nominating Committee

24 October 2023