

REPORT OF CFA UK NOMINATING COMMITTEE TO MEMBERS

October 2018

Introduction

CFA UK's nominating committee is appointed annually, primarily 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 2018 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 chairman of the society, I, Natalie Winterfrost, FIA, CFA, FSIP was appointed chairman of the committee and was joined on the committee by three of the society's directors who do not hold executive office and are not eligible for re-election this year, Graham Cook, CFA, Alan Livsey, CFA, and Anne Marden, CFA. Alan Higgins, CFA, ASIP, a distinguished member of the investment profession not believed to be likely to stand to become a member of the board in the future, again performed the role of independent member.

Committee's role

The primary role of the committee is to consider 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 determine the maximum number of directors to be fourteen and permit only regular members of the society to be appointed to the board. The articles also provide that the committee should recommend for election or re-election those candidates considered most likely to represent and serve the society well, who will provide the society with a board that reflects the society's diverse membership to a reasonable extent and who will assist the society to achieve its objectives and desired structure.

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. Alan Higgins, CFA has agreed to be appointed to this role for a further year.

This year the committee has held six meetings.

Directors standing for re-election and review of vacancies

Five board members were eligible and understood to be willing to stand for re-election. The committee duly considered whether they should recommend these five directors for re-election at the AGM. The committee was provided with information regarding the current board, the directors' election and re-election dates, their attendance at meetings and other society involvement. In addition, each of the directors seeking re-election was asked to provide the committee with a brief summary outlining their contribution during their current term of office and indicating how they believed they would be able to contribute if re-elected. The committee took account of the existing balance of the board and the contributions, skills and experience of each of the directors standing for re-election and, having reviewed all the available information, unanimously approved a recommendation to the board that Alexandra Haggard, CFA, Daniel Murray, CFA, Tim Nuding, CFA, Helen Thomas, CFA and David Zahn, CFA be proposed for re-election. The board were subsequently pleased to adopt this recommendation.

The committee anticipated that there would be three directors standing down at this year's annual general meeting and, as described below, took steps to identify and recommend three members to fill those vacancies. Unfortunately, at short notice prior to issue of the AGM documents, Alexandra Haggard, CFA took the decision to step down from the board for personal reasons. As this decision was

made after the committee had concluded its work, there was insufficient opportunity for the committee to reconvene in time to make an additional recommendation on the filling of this vacancy. Accordingly, as set out in the society's articles of association, the board will take steps to establish a new nominating committee after the AGM in order to identify a suitable member for recommendation to the board for appointment. That individual will hold office only until the 2019 AGM at which point, if he or she stands for re-election, the appointment will be subject to members' approval.

Selection process and recommendations for election

The committee was keen to explore ways in which the diversity of the pool of members considered for a role on the board might be improved, not just in terms of gender but also other factors. It was felt after discussion that the historical nominations process might, inadvertently, have created barriers to some members to engage in the process and therefore an applications process was used instead. All applications were supported by a reference from a fellow member. The committee was delighted that a record number of members came forward to be considered, including a high proportion of women.

The committee reviewed all the applications to identify those applicants who they 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.

It is testament to the success of the society and of our members that we are able to attract individuals of such distinction to this process. Having so many able applicants to choose between was an enviable position to be in although inevitably it did make the ultimate decision that much harder. However, following further discussion and consideration, the committee was pleased to unanimously recommend that Hilary Eastman, CFA, Gillian Elcock and Stephen Wackerle, CFA be proposed for election as directors. All three have confirmed their willingness to serve and to commit sufficient time to their roles and it is the committee's firm belief that their appointments will enhance the board's diversity and its collective ability to lead and govern the society.

The board have subsequently accepted the committee's recommendation and consequently Hilary Eastman, CFA, Gillian Elcock and Stephen Wackerle, CFA are now formally proposed to members for election at the annual general meeting.

Brief biographies for all three prospective new directors and the existing directors who are this year standing for re-election can be found in the letter from the society's chairman, Gerry Fowler, CFA, which accompanies the AGM notice.

On behalf of the nominating committee, I would like to thank all the members, both applicants and referees, who engaged in this year's process. The quality of the applicants was outstanding and the committee was, frankly, spoilt for choice! The committee sincerely hopes that those applicants not selected on this occasion will, nevertheless, be willing and able to share their time and talents in some other way with the society.

Natalie Winterfrost, FIA, CFA, FSIP
Chairman, Nominating Committee

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