

REPORT OF CFA UK NOMINATING COMMITTEE TO MEMBERS

October 2022

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 2022 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, Hilary Eastman, CFA, Kieran Ferguson, CFA, and Helen Thomas, 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 five meetings.

For the first time, the committee undertook a review of officer succession planning (a role previously carried out by the board itself) and made a recommendation, which the board accepted, that Katerina Kosmopoulou, CFA, should be appointed as the society's vice-chair with effect from this year's AGM when the current vice-chair, Tim Nuding, CFA, is due to step down from the board at the end of his six year term. The board accepted this recommendation which will be formally approved by the board at a meeting immediately following the AGM.

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 makes 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. Following the amendment to article 56 of the articles of association to reduce the size of the board to ten by the end of the AGM in 2023, it was decided that two directors should be recommended for election in place of the three retiring directors, consistent with the board's preferred approach of a phased reduction in board size. Subject to the approval of members at the AGM, the proposed appointments will result in the board comprising eleven members until the 2023 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, has performed this role since 2020 and has indicated her willingness to do so again in 2023. The board has approved her reappointment.

Director standing for re-election

Under the society's articles of association, with three directors stepping down at the end of their six-year term, only one board member was required to retire by rotation 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 a cognitive diversity assessment as well as the qualities and experience of the director standing for re-election. Board meeting attendance for all directors during the year was on average 92.5%. Having reviewed all the available information, the committee unanimously approved a recommendation to the board that Katerina Kosmopoulou, CFA, who attended all board meetings during the year, be proposed for re-election. The board was subsequently pleased to adopt this recommendation.

Selection process and recommendations for election

The committee reviewed the existing skills and experience on 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 and change management and experience of the

society gained through volunteering activities. An open recruitment process was conducted and the committee was delighted that a considerable number of members came forward. As in previous years, the quality of nominees was exceptionally high and the committee would like to express its appreciation to all those who applied.

The committee reviewed all the applications to identify those nominees which it considered offered the strongest skills and a 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, for the first time, 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 unanimously recommend that Alistair Byrne, CFA and Elena Koycheva, CFA be proposed for election as directors. I am pleased to report that both Alistair and Elena have confirmed their willingness to serve and to commit sufficient time to the role and that the board has subsequently accepted the committee's recommendation. Consequently, Alistair Byrne, CFA and Elena Koycheva, CFA are now formally proposed to members for election at the annual general meeting. It is the committee's firm belief that their appointments will enhance the board's collective ability to lead and govern the society.

Brief biographies of the proposed new directors and the existing director who is this year standing for re-election can be found in the letter from the society's chairman, Lindsey Matthews, CFA, which accompanies the AGM notice.

Daniel Murray, CFA
Chair, Nominating Committee

18 October 2022