

**Minutes of a meeting of the Board of the CFA Society of the UK (CFA UK) held at
3rd Floor, Boston House, 63-64 New Broad Street, London EC2M 1JJ
and by Teams at 5.30 pm on Tuesday 8th October 2024**

Present:	H Eastman	chair
	A Byrne*	
	K Ferguson*	
	S Hsu	
	W Hung*	(In person from 1610 to 1616 ii. and remote from 1616 iii. to 1618)
	K Kosmopoulou*	
	E Koycheva	
	P Lenoble	
	S Solomon	(items 1611 onwards)
Attending:	C Curtin (director of education)	(all items excluding 1611 and 1612)
	V French (chief financial officer)	(all items excluding 1611 and 1612)
	W Goodhart* (chief executive)	(all items excluding 1611)
	L Gracie (Indigo Independent Governance)	
	A Ramsay (chief operating officer)	(for all items excluding 1611 and 1612)
	P Shivaprasad* (director of outreach)	(items 1613 onwards)
	B Young* (company secretary)	
	K Grussing	Sapphire Partners (item 1612 only)
	M Collman	Sapphire Partners (item 1612 only)
	V Rose	Sapphire Partners (item 1612 only)
	H Bathgate*	chair of investment committee (item 1613 only)
		* denotes remote attendance

1610 Apologies for absence

Apologies for absence were noted from Gillian Elcock.

1611 Board's own time

In the absence of management, board members discussed the priorities they would like to address at the meeting and some of the key points in relation to the proposals to be discussed. These largely focussed on leadership succession and board governance matters.

1612 CE Succession planning update

The search overview and timelines papers were reviewed and noted.

The process undertaken so far in the search for a new chief executive was outlined and discussed. It was requested, that if any of the board members had any further recommendations for potential candidates, they be provided directly to the team .

The challenges in the search for a new chief executive were discussed. The role was considered to be niche and about finding someone at the right stage of their career to bring experience but also energy to the role. The skills, attributes and experience considered important to the role were highlighted. It would be ideal if the preferred candidate was a CFA charterholder but a compromise on this could be made if necessary. Diversity factors were being taken into consideration although the industry, particularly in the more senior roles, was not widely diverse.

The timing of the process was discussed. The aim was for a proposal for appointment to be presented to the board in early December so that an offer could be made to the candidate in mid-December. It was requested that directors provide their general availability for December to the chair and company secretary so that a placeholder for a board call could be arranged.

It was suggested that the advisory council and the more recently elected fellows be contacted to ask if they could recommend any potential candidates.

The process for selecting the new chief executive was discussed. It was requested that anyone else wishing to be involved with the working group and interview process should advise the chair. It was agreed that the shortlisted candidate should not be asked to present to the board and the recommendation of the working group would be taken.

1613 Investment committee update

The investment committee update paper on the portfolio's performance to the end of June 2024 was taken as read and noted.

A verbal update on investment performance and changes since the end of June was also provided by the investment committee chair. It was noted that, in the period from July to September 2024, investments had increased 3.1% to a total value of £7.22m. Performance was particularly strong in equities and structured alternatives.

It was noted that the committee was liaising with the finance committee in order to understand expected drawdown requirements.

It was queried whether the committee had considered investment trusts and it was confirmed that although the use of investment trusts would be kept under review for the future, they would be considered only for trusts investing in illiquid asset classes.

1614 Declarations of interest

The chair invited board members to declare any conflicts of interest related to the items on the agenda for the meeting. There were no conflicts declared.

1615 Annual approvals

i. Annual report and financial statements

The annual report and financial statements for the year ended 30th June 2024, which had been updated following the board call on 24th September 2024, were reviewed. It was confirmed in particular that there were no comments on the risk section of the report which had been substantially changed following comments at the board call.

A minor amendment to the third paragraph of the chair's report to remove the reference to "growing reserves" was agreed.

It was confirmed that information on the society's strategic direction would be included in next year's report.

ii. Audit findings report

The audit findings report was taken as read and noted. The auditor had attended the finance committee to present the findings report.

It was confirmed that the auditor had not raised any significant issues or concerns. There had also been no material audit adjustments or control items.

It was confirmed that the opportunity for the auditor to meet with the treasurer and finance committee in the absence of management had been offered but had been considered unnecessary.

It was confirmed that the treasurer and chair would arrange a separate meeting with the auditor in due course.

iii. Management letter of representation

The draft letter of representation was reviewed and noted. It was confirmed that all representations were standard.

It was confirmed that the board were not aware of any potential litigations or claims against the society.

iv. Approval of accounts and management letter of representation

After due and careful consideration IT WAS RESOLVED that the annual report and financial statements for the period ended 30th June 2024 and the accompanying management letter of representation to the

auditors be approved, subject to such further amendments as may be considered necessary and approved by the treasurer.

IT WAS FURTHER RESOLVED that the chair and treasurer be authorised to sign the balance sheet and that the chair be authorised to sign the management letter of representation on behalf of the board and that the chair and company secretary be authorised to sign the directors' report on behalf of the board.

Thanks were extended to the chief financial officer and her team for their efforts during the year-end and audit process.

v. Risk register

The updated risk register was taken as read and noted.

It was confirmed that the key risks reported in the annual report and accounts were consistent with the risks weighted 1 or 2 on the risk register except for the issue of the potential new CFA Institute member category which had not yet been made public.

There were no comments on the risk register and, after due and careful consideration, the risk register was approved.

vi. AGM notice

The draft AGM notice was reviewed and noted.

It was confirmed that, as Hilary Eastman had been re-elected at the AGM in 2023, there was no need for her to be re-elected at this year's AGM despite her term as chair being extended by one year.

After due consideration, the AGM notice was approved.

vii. Nominating committee reports

The nominating committee reports to the board and members were reviewed and noted.

It was requested that some more information regarding the number of applications, the number of interviews carried out, and diversity characteristics data be added to the nominating committee report to members. It was noted that the characteristics data was not currently collated and therefore could not be added. The company secretary would work with the nominating committee chair and treasurer to make these changes, subject to which the report was approved for publication with the AGM documentation.

It was also suggested that some more information on the selection process could be included in the chair's speech at the AGM.

The recommendations of the committee to make proposals to the forthcoming AGM for the re-election of Kieran Ferguson, CFA, Sylvia Solomon, ASIP and Philippe Lenoble, CFA, and the election of Mark Pryce, CFA, to the board, were noted and approved.

The recommendation that Daniel Murray, as the previous chair, would resume as chair of the nominating committee as Lindsey Matthews was required to stand down due to his appointment to the board of governors for CFA Institute was duly considered and approved together, with the reappointment of Debbie Clarke, FSIP, as the independent member of the nominating committee.

It was suggested that lessons learnt from the process this year should be passed on to the new chair of the nominating committee and that, in future years, diversity characteristic data should be decided upon and collected and that nomination forms should be circulated blind to avoid unconscious bias.

1616 Management reports

i. Chief executive's report

The report of the chief executive was taken as read and noted.

It was clarified that the AIMSE membership was for the society, rather than individual members. It was a good opportunity to build relationships with the distribution side of the industry.

It was confirmed that the press release announcing the society joining the charter bodies alliance would be circulated to the officers for approval in due course.

The CFA Institute's proposal to create a new membership category was due to be discussed at the SLC conference next week. Some feedback from the society had already been provided directly to the Institute. A way to distinguish charterholders from other members without the designation had been suggested for consideration, potentially including a renaming of the 'regular' member category. The chief executive would provide a briefing note to the officers attending the SLC, and also provide feedback following discussions at the conference.

ii. Operational report

The operational report was taken as read and noted.

It was queried if there were any rules regarding the maximum number of volunteering roles an individual could have. It was confirmed that this was monitored but had not been set as a hard rule. This would be reviewed.

It was noted that a number of queries had been raised as annotations on the board pack which the chief operating officer had responded to.

The education report appended to the operational report was reviewed and noted.

The progress that had been made in relation to the review for the future of the certificate in climate and investing was discussed.

A working group had been formed to review the foundation level syllabus. It was noted that the working group comprised of people who had not been involved in the certificate before.

The E&E committee were supportive that changes were needed to be made to the climate certificate. It was confirmed that the director of education was drafting emails to all involved in the E&E committee and the certificate panel and would liaise with the chair and Sylvia Solomon for their input to express thanks and acknowledge the valued work that had gone into developing the climate certificate.

Communication of the changes to the certificate would also need to be sensitively handled with past candidates.

iv. Finance report, management accounts and KPIs

The finance report, management accounts and KPIs for the period to 31st July 2024 were taken as read and noted.

1617 Other board approvals

i. Post-transition governance proposal

The proposal for the post-transition IT governance framework was reviewed and noted.

It was noted that the final project being overseen by the business transition working group was the education platform implementation which was due to be completed in approximately nine weeks.

The proposal that any future new technology projects revert to being reviewed and approved by the finance and IT committees prior to board approval, was noted. It was confirmed that this had been the process before the business transition working group was formed. However, it was proposed that the senior leadership team would also be more involved in the process.

It was requested that the diagram in the paper showing the structure should be amended to reflect a more circular process.

After due and careful consideration, the proposal was approved.

ii. Spend request relating to website search and technology consultant

It was noted the IT and finance committees had reviewed both proposals relating to spend requests on website search development and retention of the technology consultant and had recommended their approval.

Website search

The proposal requesting additional spend for website search development was reviewed and noted.

After due and careful consideration of the additional spend request for the implementation of website search, the proposal was approved.

Technology consultant

The proposal requesting additional spend to continue to engage the technology consultant in 2025 was reviewed and noted.

It was noted that the technology consultant would be contracted for reduced hours as he would be more involved at the strategy phase rather than operational. It was considered a benefit that he could provide input on the new finance system proposals.

After due and careful consideration of the additional spend request for strategic advisory engagement was approved.

The cost-benefit analysis provided in relation to the website search was discussed and it was noted that IT costs should include inflation in future proposals.

1618 Minutes of previous meetings

The minutes of the board meeting held on 9th July 2024 were reviewed and agreed to be an accurate record of the meeting for signature. The minutes of the board meeting held on 11th September 2024 were reviewed and agreed to be an accurate record of the meeting for signature, subject to the amendments to be made as annotated in the board pack and amending wording to confirm the directors not attending the meeting had expressed support of the FY25 forecast by email.

1619 Directors' responsibilities and declarations of interest

The registers of directors' responsibilities and directors' interests were noted.

It was requested that any changes to directors' responsibilities be notified to the company secretary for amendment.

1620 Any other business

i. IMC round table update

A verbal update from the IMC round table that had been held recently was provided. Proposals for IMC unit 3 had been discussed and support had been given for both options for the unit, the first being aimed at research analysts and the second being focussed on investment business commercial models, product design and decision making. The next stage was to get feedback from employers, self-funding candidates and the IMC stakeholders. A stakeholder consultation would be held in January 2025.

It was noted that, historically, certificates had been successful when they had addressed regulatory matters and therefore a product that included MiFID II elements might be advantageous.

Plans to celebrate 30 years of the IMC were noted which would provide a potentially good marketing opportunity to signpost future developments.

ii. Commendation letters

It was suggested that physical commendation letters be sent to volunteers on occasions when the board had recorded its thanks to them.

1621 Matters arising

The matters arising report was reviewed and noted.

It was agreed that the chair would review the matters arising list and update to address some of the older actions.

A date for the strategy meeting needed to be agreed and dates in January and early February would be suggested to enable the company secretary to explore board member availability. An early strategy meeting would facilitate more timely planning prior to the commencement of FY26. The new chief executive could be involved, if selected by that time, and/or the strategy could be re-visited once the new chief executive was in the role. It was confirmed that the society's view on profitability would be discussed at the strategy meeting.

Thoughts on the structure of the meeting were requested to be provided to the chief executive.

The board's schedule of delegation was queried and it was confirmed that it should be reviewed by the company secretary, Kieran Ferguson, Suzanne Hsu and the chair.

1622 Date of next meeting

It was noted that the next meeting would be held on immediately before the AGM on Tuesday 19th November 2024 at 5.00 pm.

There being no other business, the meeting was closed at 8.01 pm.

3rd Floor, Boston House
63-64 New Broad Street
London EC2M 1JJ

Signed: _____

Dated: _____